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ABSTRACT

This document contains the text of hearings on the hiring and benefits granted to teachers hired to teach United States' dependents overseas. Comparison is made in the testimony between those teachers hired in the United States and sent abroad and those hired abroad with special regard to the unequal benefits awarded to each. Several recommendations are made by those testifying regarding revision of the overseas hiring procedures as outlined in H.R. 9139, a bill to prohibit discrimination against locally recruited teachers in the granting of overseas differentials and allowances, revise the method of establishing the compensation of overseas teachers, and "for other purposes." (JMF)

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OVERSEAS TEACHERS

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HEARING

BEFORE THE

SUBCOMMITTEE ON RETIREMENT AND EMPLOYEE BENEFITS

OF THE

COMMITTEE ON POST OFFICE AND CIVIL SERVICE

HOUSE OF REPRESENTATIVES

NINETY-FOURTH CONGRESS

SECOND SESSION

ON

H.R. 9139

A BILL TO PROHIBIT DISCRIMINATION AGAINST LOCALLY RECRUITED TEACHERS IN THE GRANTING OF OVERSEAS DIFFERENTIALS AND ALLOWANCES, TO REVISE THE METHOD OF ESTABLISHING THE COMPENSATION OF OVERSEAS TEACHERS, AND FOR OTHER PURPOSES

JUNE 15 AND 17, 1976

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(iii)

CONTENTS

Testimony of—
Clewlow, Carl W., Deputy Assistant Secretary of Defense for Civilian Personnel Policy, Office of Assistant Secretary of Defense for Manpower, Reserve Affairs, accompanied by Dr. Anthony Cardinale, Director, Department Dependents Education ..... VIII, 2
Holland, Lynne, President, Overseas Education Association, National Education Association; accompanied by Trudy Terla, executive assistant 15
Magel, Carl J., codirector of legislation, American Federation of Teachers, accompanied by Peter J. Migliaccio, legislative director, American Federation of Teachers, and Kenneth Pushko, not-to-exceed overseas teacher 32
Morse, Linda Shockley, instructor, Zweibruecken American High School 15
Statements and letters submitted by—
Clewlow, Carl W., Deputy Assistant Secretary of Defense, letter dated June 4, 1978, to Miss Lynne Holland, president, Overseas Education Association, Inc., with enclosures dealing with "Charges for medical care" 73
Mink, Hon. Patsy T., a Member of Congress from the State of Hawaii 63
Moren, Barry, elementary schoolteacher, American Dependent School, Vicenza, Italy 65
Roncalio, Teno, a Member of Congress from the State of Wyoming 64
Siemaszko, Edward, teacher, Frankfurt American Junior High School 67
Wilson, Hon. Charles H., a Member of Congress from the State of California 62
Administration reports received from—
Office of Management and Budget 26
U.S. Civil Service Commission 27
Department of Defense 29
Copy of H.R. 9138 52
Summary of recommendations IV

SUMMARY OF RECOMMENDATIONS

Hon. Carl W. Clarke, Deputy Assistant Secretary of Defense for Civilian Personnel Policy:

(1) Recruitment and retention incentives should not be given where both spouses are hired because this would be inconsistent with the basic intent of the allowances and thus could constitute an unwarranted expense to the Government.

(2) The Overseas Dependent School System should not be administered by any other agency.

(3) A program of recertification for both teachers and administrators should be enacted for the school system.

Ms. Linda Shockley Morse, instructor, Zweibruecken American High School:

(1) H.R. 9139 should be enacted into law to prevent discrimination against NTE's (teachers hired in a capacity not-to-exceed 1 school year).

(2) If a dependent NTE is unaccompanied due to transfer of his or her spouse, allowances should be provided to the NTE.

(3) It should be made very clear to the people that apply for a teaching position that they are expected to stay for the completion of the contract period, and if they do not, some type of financial penalties should be imposed.

Mr. Carl J. Megel, codirector of legislation, American Federation of Teachers:

(1) The salary scale for overseas teachers should be based on the Washington, D.C. scale.

(2) After 90 days, NTE's should be converted to regular Department of Defense civilian status.

(3) Temporary employees should be allowed to participate in the FEHB program, and participate in summer workshops.

Ms. Lenore Holland, president, Overseas Education Association:

(1) The benefit system should be expanded to provide increases in allowances, and prerequisites commensurate with longevity in the overseas schools.

(2) Salary change, providing incentives for advanced course work should be implemented by Congress.

(3) A system for the granting of sabbatical leave with at least one-half pay should be established.

(4) Salary increments should be at least the same as those of civil service employees.

(III)

OVERSEAS TEACHERS

TUESDAY, JUNE 15, 1976

U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON RETIREMENT AND EMPLOYEE
BENEFITS, COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
Washington, D.C.

The subcommittee met at 9:15 a.m., in room 304, Cannon House Office Building, Hon. Richard C. White (chairman of the subcommittee) presiding.

Mr. WHITE. The subcommittee will come to order.

This subcommittee has convened this morning to begin oversight hearings into the problems in providing education overseas for dependents of U.S. personnel, and we wish to give particular emphasis to overseas local hires.

Continuation of this hearing is scheduled for Thursday at 9:15 a.m. in this room, and additional hearings will be scheduled if necessary.

This subcommittee has long been interested in helping to insure that eligible dependents attending overseas schools receive a high-quality education. While I and my colleagues fully recognize that the General Subcommittee on Labor of the House Committee on Education and Labor has direct jurisdiction over the quality of the education and facilities provided overseas dependents, and that this subcommittee's jurisdiction lies in the structure of the personnel systems, pay, and benefits for employees, it is my firm belief that the two jurisdictions are somewhat entertwined.

In reviewing the many letters received by the subcommittee, as well as the past report of this subcommittee encompassed within Committee Print 93–9, entitled "Study of Benefits for Teachers in the Overseas Dependent School System," and the GAO report entitled "Problems in Providing Education Overseas for Dependents of U.S. Personnel" issued September 24, 1974, all three seem to bear out the fact that one of the most serious morale problems among overseas teachers is the fact that teachers working side-by-side in identical jobs receive widely disparate benefits.

The fundamental distinction is between teachers who are hired in the United States and those hired directly in the country in which they teach because they have previously been traveling, studying, working, or otherwise living or traveling abroad. It appears that eligibility of benefits is based for employees upon an employee's initial status. Once an employee is hired overseas, he appears to be forever locked into, on a benefit basis, a second-class status. For instance, as a general rule, allowances for separate maintenance, cost-of-living, and housing, as well as post differentials and medical care are not granted to teachers hired overseas. As I understand it,

they receive only commissary and post exchange privileges while actually employed. In addition, while stateside hired teachers and their families receive transportation for periodic trips home and are routinely entitled to transportation home for their families and household goods after their employment ends, teachers hired abroad are not entitled to such transportation.

I hope the witnesses today will be able to speak to this situation because I do not believe that the potential this problem has for creating adverse effects both on teachers' morale and on developing a psychology of career commitment to teaching overseas should be minimized for an employee's morale has definite influence on the quality of work he puts out.

Our first witness this morning will be Mr. Carl W. Clewlow, Deputy Assistant Secretary of Defense for Civilian Personnel Policy, Office of Assistant Secretary of Defense for Manpower and Reserve Affairs, accompanied by Mr. W. F. Coakley, personnel management specialist, and Dr. Anthony Cardinale, director, Overseas Dependents Education.

STATEMENT OF CARL W. CLEWLOW, DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR CIVILIAN PERSONNEL POLICY, OFFICE OF ASSISTANT SECRETARY OF DEFENSE FOR MANPOWER AND RESERVE AFFAIRS, ACCOMPANIED BY W. F. COAKLEY, PERSONNEL MANAGEMENT SPECIALIST, AND DR. ANTHONY CARDINALE, DIRECTOR, OVERSEAS DEPENDENTS EDUCATION

Mr. CLEWLOW. Thank you, Mr. Chairman.

Chairman White and members of the subcommittee, I appreciate the opportunity to meet with the subcommittee to provide information concerning the method of establishing the compensation and the granting of overseas differentials and allowances to locally hired overseas teachers and to answer such questions as may be asked regarding these matters. Accompanying me to assist in answering your questions are: Dr. Anthony Cardinale, director of Dependents Schools, and William F. Coakley, personnel management specialist, Office of the Deputy Assistant Secretary of Defense (Civilian Personnel Policy).

The Department of Defense Overseas Dependents' Schools System has been in existence since 1946 and currently is one of America's largest school systems, exceeded in enrollment by only a few other school districts. It consists of approximately 300 schools—200 elementary and 100 junior and senior high schools. These schools are located in 27 countries throughout the world with an enrollment of approximately 150,000 students and a staff of approximately 7,500 educator personnel.

As you are aware, this program began as a temporary school system in the 1940's, and has been gradually converted into a permanent part of the Defense organization. The most recent effort to achieve that strengthening was a directed action by the Congress to consolidate all parts of the DOD Overseas Dependents' Schools System into a single organization as a part of the Office, Secretary of Defense. We believe this action has largely overcome the need for further consideration to proposals to place the jurisdiction for overseas dependents schools outside the Department of Defense.

Compensation and most other personnel policies for teachers stem from Public Law 86–91 (The Defense Department Overseas Teachers' Pay and Personnel Practices Act), as amended by Public Law 87–172 and Public Law 89–391.

As to the method of compensation, this act requires that the rates of basic compensation for all teachers and teaching positions be fixed at rates equal to the average of the range of rates of basic compensation for similar positions of a comparable level of duties and responsibilities in urban school jurisdictions in the United States of 100,000 or more population.

There are currently (based on the 1970 Census) 205 school systems in this category. Each year, salary data are obtained from as many of these schools systems as will provide it. The 1975–76 salary schedule was based upon information provided by 187, or 91.2 percent of the 205 school jurisdictions. From the information provided, the average salaries and the numbers and amounts of increments are computed, and salary schedules reflecting these averages are issued. Separate schedules are issued for teachers with a bachelor's degree, master's degree, master's degree plus 30 additional credit hours, and doctor's degree.

Up until recently, there was a year's lag in our salary schedules, that is, data derived from the previous school year was used to construct the salary schedule for the current school year. However, as a result of litigation (*Virginia J. March, et al.* v. *The United States*, Civil Action No. 3437–70 before the U.S. District Court for the District of Columbia), the salary schedules are now issued retroactively to the beginning of the school year. Thus, our teachers are now being compensated at exactly the same pay rates as the average teacher in the 205 school systems throughout the United States that make up our sample.

With the elimination of the time lag, we believe that the dissatisfaction concerning pay, so eloquently expressed in the past by our teachers, has been eliminated. Not only has that action been taken, but we have also instituted the practice of recognizing the same number of years prior teaching experience as the public sector reconnizes as a basis for establishing pay steps. Last year, the survey reflected that the average was 10 years, and we recognized up to 10 years of prior teaching experience.

School teachers with the Department of Defense Overseas Dependents' Schools System are recruited from throughout the United States, with the bulk of them probably coming from the 205 school systems serving urban jurisdictions of 100,00 or more population. It thus makes sense to derive the salaries of these teachers from the salaries being paid by these systems. We are not aware of any better or more equitable way to compensate them.

The granting of overseas differentials and allowances to all employees of the Federal Government assigned overseas is governed by regulations issued by the Department of State (Department of State standardized regulations, Government civilians, foreign areas). These regulations do not authorize the payment of a differential or the grant of a living quarters allowance for locally hired employees, except under unusually circumstances.

The various allowances and differentials provided for in 5 U.S.C. 5922, 5923, 5924, and 5925 stem from the Overseas Differentials

and Allowances Act of 1969 (Public Law 86–707). The basic purpose of these benefits which may be authorized for U.S. citizen employees in foreign countries are as recruitment and retention incentives, as in the case of the post differential and the living quarters allowance, or to offset those additional expenses necessarily incurred because of overseas service, as in the case of the cost of living allowance.

It is clear that there is no justification for payment of recruitment and retention incentives where individuals have already taken up residence in a foreign area for their own personal convenience prior to being employed by the United States. Some individual travel overseas with the hope of enhancing their employment opportunities while other locally employed U.S. citizens may have been local residents for a considerable length of time. Most are dependents of military or civilian employees of DOD or other Federal agencies. While these locally available persons are utilized as appropriate, it does not follow that they should thereby automatically become eligible for the recruitment incentive benefits. Offering these allowances to persons who are already in the foregin area for their own convenience and seeking employment would be inconsistent with the basis intent of the allowances and thus could constitute an unwarranted expense to the Government.

The cost of living allowance (also known as post allowance) was not designed as a recruitment and retention incentive. Rather, it is intended to compensate employees for serving at a post where the cost of living is substantially higher than in Washington, D.C. It is a balancing factor designed to enable personnel serving abroad to maintain roughly the same pattern of life they would if they were still living in Washington. It covers overall living costs for food, clothing, transportation, medical care, personal care, recreation, and certain household furnishings and operations. Since all employees abroad are faced with the same costs. this allowance is paid to ali employees regardless of point of hire.

The policy governing overseas differential and allowances applies to all employees of all Government agencies assigned in foreign areas. Thus, it is not just locally hired teachers who are not authorized the post differential and the living quarters allowance. Such allowances and differentials are not authorized for any local hires of any Government agencies overseas. We do not have specific current information available regarding the total number of employees who are local hires. As of December 31, 1975, the Department of Defense employed 28,366 U.S. citizen employees in foreign areas. It is estimated that about 12,000 of these employees, most of whom are dependents, were hired locally. Last year, 1,468 teachers were hired locally. Of this number, 1,326 were dependents and only 142 were not. Thus, the bulk of the local hires, being dependents, already received housing support and transportation entitlement based upon dependency.

This concludes my statement. I will be glad to try to answer any questions you may have regarding these matters.

Mr. WHITE. Thank you very much for your statement, Mr. Secretary.

Are any of these teachers that are hired overseas, or in this country, not nationals of the United States?

Dr. CARDINALE. No, sir, they are all U.S. citizens.

Mr. WHITE. OK.

Now, as I understand, if they are hired in the United States, they are given a bonus or incentive of some nature, in order to induce them to go overseas; is that correct?

Dr. CARDINALE. Yes, sir. They receive the housing allowance, they receive transportation round trip, and shipment of household effects up to a certain poundage—this plus their regular salary.

Mr. WHITE. No other bonuses whatever?

Mr. COAKLEY. In a few locations, where living conditions are pretty rough, we also offer a post differential.

Mr. WHITE. This is the next question I was going to ask. What type of differential are you speaking of—for hardship, or for cost of living?

Mr. COAKLEY. The post differential is based solely on environment and hardship. The cost of living allowance is based on the cost of living. Where the cost of living in a foreign area exceeds the cost of living in the Washington, D.C., area, they offer a cost-of-living allowance. Bahrain is a good example where the cost of living is far in excess of the Washington, D.C., area. The allowance varies depending on how great the costs exceed those in the Washington, D.C., area. The post differential is based on hardship and environmental factors and is a percentage of pay. Ten percent is the least amount of differential that can be paid. And it varies up to 25 percent, depending on the environment that we are talking about.

Mr. WHITE. What are some of those locations?

Mr. COAKLEY. Well, Okinawa is one of the locations where we currently are paying a 10-percent post differential. Some of the outlying areas in Korea—Pusan, Taegu also have a differential. I believe there is a differential in Iceland. I think we are also paying a differential in Azores now. In a couple of locations in Turkey, which are farily remote, we are paying a post differential. We don't pay any kind of an allowance in places like Germany, any kind of a differential, I should say—or in England, or in most of the European area where living conditions are not really that much different from the United States.

Mr. WHITE. How long is your contract for in each instance? Do they vary?

Mr. COAKLEY. They do vary. We have both 1-year and 2-year contracts. Basically, those areas which do not have a post differential are 2-year contracts. In the favorable areas, a teacher signs up for a 2-year period. For the unfavorable areas, and they are, for the most part, those where we are paying a differential, they only have to sign up for 1 year.

Mr. WHITE. Suppose you have a teacher who is there with her husband, and her husband's tour of duty would not extend for 2 years, and you need a 2-year contract. Do you make an allowance?

Mr. COAKLEY. You are talking about a teacher that would be hired locally?

Mr. WHITE. Yes.

Mr. COAKLEY. They are not put on a tour of duty like the teachers recruited in the United States. They could be hired for the 1 school year. We try not to hire a teacher who we know is going to leave the school during the school year. If we know a teacher is going to pick up in the middle of the year and rotate to the United States, we normally would not hire that person.

Mr. WHITE. Now, is there another class called temporary employees that would be hired for only one semester?

Mr. COAKLEY. For one semester?

Mr. WHITE. Yes.

Mr. COAKLEY. There may be. Normally we like to hire a teacher for the entire school year.

Mr. WHITE. Now, in the early part of the Secretary's testimony, you stated that you felt that having developed a separate division, that this was quite adequate for the administration of the system abroad. Has the Department considered the possibility of placing this program under the HEW? And if they have, what were the reasons they did not go forward with such a plan?

Mr. CLEWLOW. Dr. Cardinale could address himself to that. There is a major policy concern, and that is inasmuch as the primary purpose of the schools is to be responsive to the dependents of military and the civilian personnel working for the military overseas, it would make for an awkward arrangement, budgetarily, administratively, to have some other department or agency of government administering the system. Dr. Cardinale being the Director of that system can address it more specifically, sir.

Mr. CARDINALE. Yes, sir.

From time to time, various proposals have been made, consideration being given to moving the dependent schools operation to the Department of HEW. Many thoughts have been expressed and reviews have been made. As Mr. Clewlow has stated, this is a Department of Defense responsibility, the Secretary has accepted that responsibility, and has put all of the resources that he can muster for the operation of this program. All of these schools are operated on military installations around the world. There are about 150,000 dependents of military personnel. To try and interface this operation with another civilian agency of the Government, we felt would not really work, it wouldn't work to the advantage of the overseas school system itself.

Mr. WHITE. Now let's go through these various benefits one by one.

Now, you don't give travel expenses to a teacher hired overseas, but those hired in this country would be given the travel. I presume that is one travel over and one trip back at the expiration of the contract; is that correct?

Mr. CLEWLOW. That is correct.

Mr. WHITE. OK. Now, a teacher hired overseas would be assumed to intend to return to the United States. If it is, say, a wife of a civilian employee, it would be assumed she would also be returning to the United States eventually; is that correct?

Mr. CLEWLOW. That is correct.

Mr. WHITE. Is there any provision for the payment of the civilian and his family for a move back to the United States after the expiration of their term or their tour overseas, or does the civilian have to bear that cost himself?

Mr. CLEWLOW. Are you talking about a regular civilian employee?

Mr. WHITE. Yes.

Mr. CLEWLOW. A regular civilian employee who is hired in the United States and sent overseas—let's say to work as a supply specialist in Zweibruecken, Germany—that supply specialist would be hired in the United States. He and his family would be transported overseas,

therefore already receiving transportation and return. They would receive transportation, with one exception, sir. If he decided to default on his contract—the supply specialist going over would usually go over on a 3-year contract—if he decided to default on his contract and return at a time sooner than the expiration of that period of time, he would be obligated to pay his own return expenses.

Mr. WHITE. What about the civilian teacher?

Mr. CLEWLOW. If his wife was hired locally as a dependent, if she were hired as a teacher over there, she already would have received transportation from the U.S. Government, and therefore we would feel it would be improper to have paid a second form of transportation to that same dependent.

Mr. WHITE. Suppose she fulfills her contract, a 2-year contract, and her husband elects to return to the United States and not fulfill his 3-year contract.

Mr. CLEWLOW. If she were hired overseas, she would be hired from year to year. If she were hired in the United States as a teacher—and I'm not aware of any cases where there has been a male member of a family hired, let's say, as a supply specialist or some other position, and the wife has been hired as a teacher at that same time.

Mr. WHITE. That is not what I am driving at. You hire for 1 year as well as 2 years in the States.

Mr. CLEWLOW. That is correct.

Mr. WHITE. If a person goes overseas hired as a teacher for 1 year, at the expiration of that 1 year, they are entitled to payment to return.

Mr. CLEWLOW. That is correct.

Mr. WHITE. Now we have a civilian overseas. His wife is hired. She fulfills her contract of, say, 1 year. And the civilian Government employee elects to return and not fulfill his contract. His wife is not going to be paid her travel back.

Mr. CLEWLOW. That is correct.

Mr. WHITE. And you are not paying her travel back. So she is being treated differently from the person hired in the United States, because she has fulfilled her contract, she is going to have to go back, she has no means of payment of her transportation back in that kind of circumstance.

Mr. CLEWLOW. That is correct.

Mr. WHITE. All right. Now you have——

Mr. COAKLEY. May I interrupt?

As a dependent, even though her husband departs—if you are talking about abandoning her without means of transportation, she would still have entitlement based on his original travel orders to go back to the United States.

Mr. WHITE. With pay?

Mr. COAKLEY. With pay.

Mr. WHITE. Would she be paid her transportation back?

Mr. COAKLEY. Yes.

Mr. WHITE. Even though he defaulted on his contract?

Mr. CLEWLOW. If he defaulted, the answer is "No." If he abandoned her, that would be another matter.

Mr. WHITE. So there is an inequity right there. She is an innocent party. She has fulfilled her part, the identical time.

Mr. COAKLEY. But when she was hired locally, she is not put on a contract.

Mr. CLEWLOW. I think we have to get back to what in labor management parlance might be term "conditions of employment." The person who is hired in the United States, as a condition of employment, has both an obligation and a right. The person who is employed in the United States has a right to expect return transportation if he fulfills his obligation of the contract.

Mr. WHITE. Well, that is precisely why we are here. We are trying to equalize it.

Mr. CLEWLOW. The second point is, if the dependent of a person already employed overseas is hired, that condition of employment does not require the payment of an incentive to get that person there. If we go back to the original basis, the law provides for transportation and housing as incentive and retention factors. Now, I think what we perhaps need to do is to examine: Are we properly interpreting what is incentive for attraction to work and retention to work? I believe this is the direction in which our questions may be going, sir.

Mr. WHITE. Mr. Secretary, insofar as we have an early session today, and we have two other Members here, I am going to call on Mr. Harris at this time. I may come back to you with some other questions.

Mr. HARRIS. Thank you, Mr. Chairman.

Why does the DOD hire locals for teaching positions when there seems to be an overabundance of applicants in the United States for such positions?

Mr. CLEWLOW. It has a history, sir. The history starts with the fact that some few years ago there was a desire to maintain—I will put the term in quotes—"a low profile of U.S. citizens' presence abroad." This was one reason for hiring dependents who were fully qualified. The second reason for hiring dependents fully qualified was as a result of one piece of legislation which was introduced by Senator Symington, which placed priority upon the hire of dependents of military personnel to support the concept of an all-volunteer force. So again following the pattern which he had introduced in legislation——

Mr. HARRIS. When was that?

Mr. CLEWLOW. This was introduced in 1972 or 1973. It was about that time. And the third issue was that of gold flow. The fewer people we have overseas, the less the gold flow. So those were the three characteristics which were the basis for our hiring overseas.

One other factor administratively made it desirable, and that is one cannot always identify a year ahead of time the number of troops which will be in a specific location, therefore the number of dependents who will be in a specific location, therefore the number of children in school. A significant number of local hires provide for that flexibility, which you could not otherwise get if everyone were hired in the United States. And your statement is correct—we have 10, 20 applicants for every job overseas. But we feel there is a balancing necessary.

Mr. HARRIS. You say it is more than the cost factor. Does the cost factor come into it at all?

Mr. CLEWLOW. I did not identify the cost factor as a primary factor. I think it is more a residual factor than a cost factor. The

number of people we are talking about here is approximately 2 percent of our teacher work force in this peculiar status. So I did not identify the cost factor.

Mr. HARRIS. When you hire locals, is it carefully explained to them that they are not eligible for overseas allowances as their stateside recruited employees?

Dr. CARDINALE. This is our understanding, Mr. Harris. At the time of employment, the teachers are informed that they are not entitled, and will not be entitled to these benefits of housing and the transportation agreement for return transportation. And I do know that I have spoken many times to principals and to civilian personnel officers who made these statements to teachers, and the teachers will say, "Fine, I understand, I just want a job." The moment the teachers get the job, or they are selected, it is not long thereafter that they begin saying, "Well, I'm working side-by-side with a stateside hire, and that person gets all of these emoluments and, therefore why can't I get them?" Then they petition the civilian personnel officer or the school system, "I want to apply for my housing allowances and return transportation."

Mr. HARRIS. My understanding of what you said was that you think that they are told this.

Dr. CARDINALE. Sir, I know for a fact that they are. As another comment, in my office, one of my responsibilities is to recruit the teachers from the United States for the overseas positions. Many times I receive either phone calls or letters from individuals who have applied to our office, who have not been selected, and they tell me that, "Well, if you can't guarantee me a job now, I'm going overseas anyhow, and I am going to try to get a job locally."

Mr. HARRIS. What I am asking is, is there some statement that they sign, or is there some form that is given to them? Is there something in writing that advises them that these——

Dr. CARDINALE. Some civilian personnel officers will do that. Others will not.

Mr. HARRIS. There is nothing standard in your operation that you give them or have them sign?

Mr. CLEWLOW. I believe it is the other way around, sir. When they have a transportation agreement, they sign the transportation agreement. When they have a housing allowance, they sign for the housing allowance. And you have put your finger on what is a soft point there, because while the personnel officers are directed to advise them, we can never be assured that each individual person has been so advised.

Mr. HARRIS. Yes, sir. What I am suggesting—please don't let me sound critical—but I can see the logic of saying if you are going to get an added perquisite, you would sign up for that, but you would not sign something saying you are not going to get it. But like so many other things in our operation the added becomes the normal, and the person who does not have it says, "Why don't I have the normal perquisites?" It seems to me it makes good sense now, considering our problems, to make sure that the person accepting the employment without the perquisite understands that that is part of his or her contract.

Mr. CLEWLOW. Mr. Coakley is working on a procedure for that.

Mr. COAKLEY. I will make a positive statement that beginning this fall, when we hire local hires, if we are continuing under the same policy as we are today, there will be such a statement.

Mr. HARRIS. I feel very proud. I have just created another Government form, Mr. Chairman.

Excuse me.

Mr. MCCLUSKEY. Mr. Harris, you touched on a problem that the subcommittee staff has been receiving many letters on, and that is the principals and the CPO's may be told to tell these people that they are not going to receive the benefits, but in fact according to a lot of letters we receive, and I am sure your office as well, they may tell them that, but there is a lot of under-the-table dealing—"Go ahead and sign up, and after a year we will sign you to full-time status," and it never happens, and in come the letters.

Mr. HARRIS. Could I ask what the criteria for hiring schoolteachers overseas are?

Let me be very clear on this. What I am getting at specifically is, is it true that factors other than qualifications, experience, background, what have you, are considered in hiring for overseas positions?

Dr. CARDINALE. I certainly hope not, sir. We have one standard that is applicable to people hired locally overseas and those hired in the United States. We require that they have a bachelors degree, 2 years of prior teaching experience, and at least 18 semester hours in professional education courses. If they are going to apply for the secondary level, they must meet all of the requirements for that discipline or those disciplines as established by the North Central Association of Colleges and Secondary Schools, since they accredit all of our high schools. If they are at the elementry level, they certainly must have a State certificate issued by a State department of education—this applies to both elementary and secondary level. I certainly hope this is the only criteria that is used in hiring people locally. My office doesn't get involved in the local hires, but our superintendents and principals do. My office hires only from the United States.

Mr. HARRIS. Let me identify clearly in my mind your office, now. Your office is in charge of all of the education?

Mr. CLEWLOW. Dr. Cardinale is the Director of Dependents Schools, so he is in charge of all the schools in the Pacific and the Atlantic and in Europe. This is total responsibility.

Dr. CARDINALE. Recruiting is one of our many responsibilities.

Mr. HARRIS. That is not the same job Dr. Downing used to have.

Dr. CARDINALE. No, sir. Dr. Downing was the Chief of the Army Dependent Schools. I am with the Office of the Secretary of Defense. As a result of congressional action mandating that there be centralized operation under the Office of the Secretary of Defense, the responsibilities are under the position I have occupied for many years.

Mr. HARRIS. I see.

You don't think that there is any substance to the charge or the allegation at least that qualifications, educational background, and so forth, for local hires is different from other hires?

Dr. CARDINALE. Well, sir, as I mentioned, I certainly hope not. I have heard the same comments, that the principals and superintendents are holding back jobs for certain individuals. I have checked this

out, very, very carefully, and I have been assured, at least by my regional directors that this is not the case.

Mr. HARRIS. Thank you, Mr. Chairman.

Mr. WHITE. Thank you.

Mr. Taylor.

Mr. TAYLOR. Thank you, Mr. Chairman.

Do private foreign firms who do business and are located in the United States pay local recruits, U.S. citizens, living allowances or other overseas allowances as envisioned in this legislation?

Mr. COAKLEY. Let me make sure I understand the question. Do private firms who hire people in the United States and send them abroad to work pay the same kinds——

Mr. TAYLOR. Yes.

Mr. COAKLEY. I think for the most part they do, yes.

They certainly pay recruitment incentives and housing, and a cost of living allowance.

In fact, I think many of the private firms design their system pretty much based on what the State Department system provides. And in many cases, they use the same figures and statistics as State Department uses to derive what is going to be paid.

Mr. TAYLOR. Why does DOD pay expenses allowances to employees assigned overseas—what extra expense do they incur which is different from other Federal employees in the United States?

Mr. CLEWLOW. These employees get the same benefits as other employees in the entire Federal Government. Let us identify some of these kinds of things. If a major corporation were to send someone to Japan, they would provide a housing allowance for that person and family, they would provide transporation—I'm using a case in point that I just investigated—and their housing allowance would be enough to take care of appropriate housing for that individual and family. Their transportation costs would take care of the worker and his dependents. And so what Mr. Coakley has said is that the private firms tend to do about the same thing we do.

Now, there are really two basic ways in which private firms make an adjustment overseas. Some will pay an extra salary for going overseas, and others will pay an extra cost of living. I have observed this in some several corporations and partnerships which I have looked in on, just to find out how they pay their allowances. We are doing essentially the same thing. In fact, we probably are not as liberal in ours as many companies are in theirs.

Mr. TAYLOR. I can understand that. That is the incentive that the corporations use and that you use. But on the other hand, if a corporation hires someone over there, who is already located there, who does not have the trauma of moving, they are living there at their own free will, this is where they have chosen to be, would that not be a little bit different situation than moving someone over there?

Mr. CLEWLOW. There is a pretty good chance they would negotiate a smaller figure for the person who was already residing overseas. If a corporation attempted to hire someone, they would probably try to negotiate a smaller figure than the person who comes from the United States.

Mr. TAYLOR. Because they were there by choice to begin with.

Mr. CLEWLOW. This would be a logical interpretation.

Mr. COAKLEY. And that is basically exactly what we are doing in Defense. If we hire somebody locally, we do not see the need for and do not pay the same kind of incentives as we feel we need to do to attract somebody all the way from the United States.

Mr. TAYLOR. Once a teacher is hired, is there any recertification program to keep these teachers abreast with new theories, and so forth?

Dr. CARDINALE. No, sir. This is one of my major concerns. When a teacher is employed, as I mentioned earlier, they do have a State certificate issued by a State, and many times this will be allowed to lapse by the teacher, figuring that overseas it is not necessary for them to renew it in Michigan, or Virginia, or California, something like that. But once teachers are in the system, we have not, up to this point, had this recertification which is required, I am positive, in all 16,000 school districts within the United States. Some kind of certification and recertification after so many years of service is required.

I am doing a great deal of research now to pull together such a package as this for recertification, not only for teachers but for administrators in our school system, to be sure that we have the best quality of people.

Mr. TAYLOR. You are working toward that end.

Dr. CARDINALE. Yes, sir.

We have started the wheels moving, yes, sir.

Mr. TAYLOR. I believe that is all, Mr. Chairman.

Mr. WHITE. Thank you, Mr. Taylor.

Mr. Secretary, prior to 1971, all the allowances and differentials were paid or at least could be paid to all local hires. But I understand this practice was stopped not due to any legislation, but actually to an administrative regulation by the State Department; is that correct?

Mr. CLEWLOW. That is correct.

Mr. WHITE. And therefore it would be possible to reinstate some of these differentials without any legislation.

Mr. CLEWLOW. That is correct.

Mr. WHITE. And it would be possible to even go so far as to regulate differentials to be paid under certain circumstances.

Mr. CLEWLOW. That is right.

Mr. WHITE. For example, if you had a teacher overseas who was a dependent, and was abandoned by her husband, then she could be paid to help to get back to the States.

Mr. COAKLEY. We currently do pay under those circumstances. We have a policy which says if a person overseas as a dependent, and through divorce, death, or legal separation, or otherwise is abandoned by the husband departing the area, that teacher or that employee does become eligible for both transportation and the allowances.

Mr. WHITE. All the allowances.

Mr. COAKLEY. Yes, sir.

Mr. WHITE. Why don't you tell us what other exceptions you have made to this general policy?

Mr. HARRIS. What "otherwise" means, Mr. Chairman.

Mr. COAKLEY. I don't know that there are any other broad exceptions of this nature. But we did certainly see a need for a change of this type some years ago.

Mr. HARRIS. Will the chairman yield on that? What the "otherwise" I presume meant was, it wasn't abandonment. You might have a divorce, death, a legal separation—you also may just have a plain abandonment.

Mr. COAKLEY. That is right. That doesn't meet the definition of a legal separation.

Mr. WHITE. You were speaking of these differentials as an incentive to get teachers to go overseas. But actually in the law, isn't it true that these differentials could be paid to a person who is not even a citizen of the United States.

Mr. COAKLEY. A differential?

Mr. WHITE. Yes, sir.

Let me read the section to you. Section 5922:

To the extent authorized by provision of statute other than this subchapter, the allowances and differentials provided by this subchapter may be paid to an employee officially stationed in a foreign area who is not a citizen of the United States.

Mr. COAKLEY. Certainly that says we can do it. To the best of my knowledge, we are not doing it.

Mr. WHITE. Whose decision was that?

Mr. COAKLEY. That we are not doing it?

Mr. WHITE. Yes, sir.

Mr. COAKLEY. I'm not sure I know sir. I could check and find out.

[The information follows:]

State Department regulations do provide that the allowances and the post-differential may be paid to noncitizen employees to the extent that the payment of such allowances and differential to the noncitizen employee is authorized by any provision of law other than 5 U.S.C. 5921–5925. In DOD, this authority has been used only in the case of third-country nationals, i.e., when a non-U.S. citizen employee has been recruited and transported from his home country to another foreign area to work. Such use has been very limited.

Mr. WHITE. We would be very interested. Is it the State Department, is it within the DOD?

And do these employees have any benefits or input into the Civil Service System? Are they cranked into it by reason of their service for the Federal Government?

Mr. COAKLEY. A noncitizen employee?

Mr. WHITE. No, a citizen employee.

Mr. COAKLEY. Yes. They are eligible to participate in the civil service retirement program. They are also eligible for the health benefits program, and for the Federal group life insurance program.

Mr. WHITE. So that time overseas is time that they can accredit to their civil service retirement.

Mr. COAKLEY. Yes, sir.

Mr. WHITE. There is a difference of opinion in this room, sir, because I see a lot of nods negatively.

Mr. COAKLEY. A local hire teacher, the first year, is hired as a not-to-exceed employee. The first year they do not become a part of the civil service system. After that first year, they are eligible for, and many of them are converted into, the regular full-time permanent work force. At that point, they do become eligible for and participate in civil service retirement.

Mr. WHITE. Do they pick up that other first year?

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Mr. COAKLEY. They can count it as a part of their total service; yes, sir.

Mr. WHITE. You are absolutely certain of this point.

Mr. COAKLEY. That the year can be counted?

Mr. WHITE. And that they can go into the civil service.

Mr. COAKLEY. Yes, sir.

Mr. WHITE. All right.

Now, 142 employees overseas for teaching purposes are not dependents. Who are they?

Mr. COAKLEY. 142 that were hired the last school year are not dependents. There are probably more than that, that were already in the total work force.

Mr. WHITE. They were hired overseas.

Mr. COAKLEY. Local hires, most of them probably tourists, going through, passing through the area, seeking employment.

Mr. WHITE. Now, on what basis was the departmental decree that these people would not get any benefits, any of these allowances or differentials?

Mr. COAKLEY. It is based on the State Department regulations which clearly specify that tourists are not eligible for any of the allowances and differentials.

Mr. WHITE. And have you all examined this to determine this is fair or unfair, or did you accept the regulation as it stands?

Mr. CLEWLOW. We have wrestled with this for some time, sir. There have been varied opinions on this. Mr. Harris asked one question as to why this was started and identified four reasons as to the primary basis for this having started. But I would establish at this point that you have raised enough questions in this process, and we have attempted to keep an open mind, that we will reexamine this from the standpoint of equity. We will also examine it from the standpoint of its propriety of application, as a prelude in the preparation of the report.

Mr. WHITE. For example, you may have tourists over there for a month who decided they liked it there. But they are really at a decided disadvantage if they do not get the housing allowance. They may have no intention to stay in Europe unless they get this job. Must they return to the United States, contract, and come back?

Mr. CLEWLOW. That is correct. We have many things that happen. I can identify an instance where a young lady working in the Pentagon was signed up for overseas work. She was given an appointment to go overseas. Her transportation was paid and she got a housing allowance. Her sister also worked in the Pentagon. Her sister did not get hired from the register. She went over on her own and was hired after she got there. The two girls worked in the same office, the same level job, one got housing allowance and transportation and the other did not. Neither of these were schoolteachers—they are very capable secretaries.

Mr. WHITE. As I spoke earlier, I do not believe the law speaks of incentives. Am I correct on this? There is no area of the law that speaks of incentives.

Mr. CLEWLOW. It has been interpreted as an incentive.

Mr. COAKLEY. No; it does not.

Mr. WHITE. It even says you cannot give these to noncitizens hired overseas as well.

Mr. CLEWLOW. Let me identify the circumstances for noncitizens overseas. There have been many instances where, let's say, a military officer would go to England, marry a girl in England, she was a capable secretary, and she would be entitled to certain things if she indeed were a regular employee. But it may take 5 years for her to gain her citizenship. As a result we may have many employees who are non-U.S. citizens, but who are dependents or spouses, if you will, of U.S. citizens, but who are awaiting the legal time requirements for citizenship.

Mr. WHITE. And you may have teachers in the local language you may hire that are noncitizens, and they would get no differentials.

Mr. CLEWLOW. This goes back to Dr. Cardinale's requirement. That person would still have to have taught 2 years in the U.S. school system in order to be able to satisfy that particular requirement.

Dr. CARDINALE. We do have a few local national teachers in our host nation language program. They do not receive any of these benefits. They receive the salary; the prevailing salary rates for a teacher in that particular country, and we are tied to that by the status of forces agreement. But all of the local national teachers that we have do not receive these benefits.

Mr. WHITE. Well, I think this is an area that the more you dig, the more you find, actually. And I think this committee would benefit by your report, your further input, in some of the subjects we have spoken of.

You say you are going to be examining that.

Mr. CLEWLOW. We have an open mind on this, sir, very much so.

Mr. WHITE. We would be most pleased to look at it. I think this committee is more concerned about equity, about fair treatment, rather than a regulation that would be inflexibly applied to a situation. I think if you can get us a report, say, within 2 months, we would appreciate it.

In fact, if you can do it earlier, we would like that, too.

Mr. CLEWLOW. We want to express appreciation to your counsel for meeting with us to discuss some of these matters and would like to work with him on this.

Mr. WHITE. Does counsel have any questions at this time?

Mr. MCCLUSKEY. No questions.

Mr. WHITE. Thank you very much, Mr. Secretary. We appreciate your coming. We may ask for you to return, after we get a little more familiar with the subject.

The next witness is Mrs. Linda Morse, instructor, Zweibruecken American High School.

STATEMENT OF LINDA SHOCKLEY MORSE, INSTRUCTOR, ZWEIBRUECKEN AMERICAN HIGH SCHOOL

Mrs. MORSE. I would like to submit my testimony for the record, and give a brief summary.

Mr. WHITE. Without objection, the entire statement will be placed in the record after your comments.

Mrs. MORSE. Thank you.

I would like to add some endorsements received that were too late to put into my statement, in addition to responding to a couple of things mentioned by the DOD people here earlier.

I thank you for allowing me to speak. I am in favor of H.R. 9139, because I am an NTE, and I have personally received mistreatment by the system.

The system presently is blatantly discriminatory towards NTEs on the basis of hiring status, not on the basis of our teaching credentials.

If we are indeed concerned with the high quality of education for overseas dependent students, I believe that the major criteria to be concerned with is the teacher's certification, and not their hiring status.

As was pointed out, a major morale problem is the fact that there is pay differential. But another greater discrimination occurs in the section that can be found in the bill on page 3 and page 4, sections dealing with involuntary separation.

This so far is legal in that NTE's, or locally recruited teachers, can be terminated within 7 days notice. I was terminated at semester because a stateside hired teacher wanted my job. I have documented in my testimony letters stating that great regard was given my teaching ability. My teaching ability was not considered when the termination came about. My principal said, and is on record as having said, he wanted to give a career boost to one of his professionals, implying, then, that as an NTE, I am less than a professional person.

I will continue, then, with the endorsements that I have received. Telephone conversations last week from Mr. Bob Brooks, who is the personnel services person for USDESEA, which is still in existence until July 1, as head of the European school area. Mr. Brooks told me, and gave permission to quote him as saying that he supports H.R. 1939 because "It would make our job a lot easier"——

He said he is speaking simply for himself, but that he does support the bill.

Dr. Richard Coss, who is the deputy director for USDESEA, gave me a great deal of support, and a number of things that I could quote him as saying. He feels that "It is extremely unfair not to provide equal pay for equal work."

"A good deal of time, which means money, is spent processing grievances for teachers who feel they deserve equal professional treatment."

His argument stems from the fact if a person has enough initiative to get to Europe in the first place, and that they have the same teaching credentials as the people already hired, since they do equal work, they deserve equal allowances and benefits.

The major portion of the bill with which I am concerned, the involuntary separation, affects morale in a more subtle but definitely more important way.

This means that at the end of every contract—this past year was an exception, because of the situation in Turkey, meaning that the NTE's were given one-semester contracts only. So at the end of each semester the contracts were renewed—we are finished. Consequently, we have no right to choose or to put in our bid for what classes we would like to teach the following year, what extracurricular activities we might be willing to sponsor, et cetera.

This involuntary separation, affects quality education a great deal. For instance, in my case, after being reinstated the day before the semester ended, I was allowed to continue developing a new business mathamatics class for the school. Because we were late in getting this business math class started again, the books were not ordered. Consequently, I did not have books for my business math class until May, which meant we had four weeks to use books.

Some of the things that the DOD group brought up I thought were not completely drawn out, and I would like to address them now.

First of all, I believe you should understand one of the statements made about the recruitment of NTEs. Specifically, that these people are in Europe already, at their own convenience. In fact, the majority of the NTE's we are addressing are not in Europe at their own convenience; they are there at the convenience of the DOD. They have elected, most of them being dependent wives, to accompany their husbands to Europe. As a result, they are penalized for being there by not being given the one important thing in which I am interested: job security and equal professional treatment.

I do not believe that it is an unwarranted expense for DOD to grant equal pay for equal work. I was dealing with the equal employment opportunity branch in Europe this year, trying to get my own reinstatement. They could not help me because I did not fall into one of the five categories of discrimination established by EEO. While they did admit that, yes, it seemed evident there was some discrimination, NTE's did not fit into any of the five categories.

If one substitutes the EEO categories to say: NTE's don't get equal pay because they are black, "NTE's don't get equal pay or job security because they are women", or because of their religion, because of their national origin—the discriminatory situation becomes very obvious.

I think, too, that it should be brought out that while the people here in Washington may believe that NTE's are being carefully explained to about the situation of not receiving all of the job security and financial benefits given stateside hired teachers, it is not the situation when it comes down to the actual hiring process.

DOD also stated, that is the way it is, and people should be aware of it. The thing I was fighting this winter when I was terminated, was the fact that, yes, I know presently it is legal. But that does not make it right. And so that is why I am here—to help change the situation.

I would take your questions now.

Mr. WHITE. Thank you very much, Mrs. Morse.

You have suggested a number of areas that we are undoubtedly going to want to explore. And you touched on them. Therefore, we are going to have to expand on them.

How did you happen to be in Europe at the time? I presume you were hired in Turkey?

Mrs. MORSE. No, sir. I accompanied my husband to Europe. I was hired the first year at Ramstein Junior High, and taught for 1 year there. Then I was hired in Zweibrucken with a 1-semester contract only, because of the situation in Turkey that had developed over the summer. I was not an exception. All NTE's were given 1-semester contracts last year.

Mr. WHITE. You mean all in Turkey or all over Europe?

Mrs. MORSE. All over Europe because in case all of the military installations were forced to close in Turkey. The stateside-hired teachers then would be shuffled through the system, and NTE's would be pushed out. So we were given contracts for 1 semester only.

Mr. WHITE. When you speak of NTE's, you are speaking of not to exceed 1 year?

Mrs. MORSE. Yes; that is correct.

Mr. WHITE. Now, you spoke of job security. When you signed a contract, were you not given a guarantee of 1 year?

Mrs. MORSE. No, sir.

Mr. WHITE. There is nothing in the contract?

Mrs. MORSE. I can be fired with 7 days' notice.

Mr. WHITE. That is all overseas hires?

Mrs. MORSE. As far as I understand it, all not-to-exceed contracts you may be terminated with 7 days' notice.

Mr. WHITE. Conversely, you, as a NTE, would be able to leave with 7 days' notice, I presume?

Mrs. MORSE. I presume that I could. It would not be something I would do.

Mr. WHITE. Suppose there was a national hired in the United States. What is her job security overseas?

Mrs. MORSE. As I understand, it is not a great deal different. There is no contract. Rather, there is a travel agreement only. This is what I have been told. I do not know directly. But the other stateside-hired teachers insist to me they do not have a contract saying they have any more job security than I do.

It is just that the ranking system makes the NTE at the bottom of whoever gets RIFed first.

Mr. WHITE. You say, then, that the hired-in-the-United-States have only about 7 days' notice also?

Mrs. MORSE. I cannot say that for sure, because I did not——

Mr. WHITE. They are not guaranteed the completion of their year?

Mrs. MORSE. I can only say that I know that they are given travel agreements. I have not known of them to have to sign a contract for 2 years.

Mr. WHITE. Mrs. Morse, do you mind if Mr. Cardinale enters the record at this point?

Can you tell us, please, Dr. Cardinale, what the contract is with those hired in the United States?

Dr. CARDINALE. Yes, sir. A teacher hired in the United States signs a transportation agreement. This agreement specifies the salary and so forth, and what we will do in the way of paying transportation. It is a regular form that the teacher signs. This person then goes to the overseas area. The teacher is there for 1 or 2 school years, depending upon the location. They teach for 1 or 2 school years. At the end of 1 or 2 school years, the teacher then earns entitlement to return transportation back to the States for re-employment leave. She may then sign another transportation agreement to go back for another year or two, depending upon the area. She has a job in that location, Ramstein, Zweibruecken, or Naples, wherever the school is located, as long as we have the job there. If we withdraw the troops, the situation that she just mentioned in Turkey, where we were at odds with the Turkish Government for some period of time, the NTE's in

Europe were told—the term NTE means just that—that they can be terminated at any time up to a certain date. That date then they can be terminated immediately—June 5 or 10, whatever the date specifies.

Mr. WHITE. Do the hired-in-the-United States have a period of notice, like 7 days?

Dr. CARDINALE. No, sir. They are told—they have indefinite employment. There is no notice there that they can be terminated within a certain amount of time.

Mr. WHITE. Suppose you don't need them? You just pay them the balance of the year?

Dr. CARDINALE. If we do not need them in one location, we will try to place them in another location because of increased enrollments or whatever the case may be. But we will try.

Mr. WHITE. What if you cannot?

Dr. CARDINALE. If we cannot and we have to terminate them, we will go back to them and say,

We no longer have a job for you here. At the end of the month all the bases in a certain country we are being forced to vacate. We do not have a job. Therefore, the best that we can do is pay your transportation back to the United States.

Mr. WHITE. But you do not compensate them for the balance of their contract?

Dr. CARDINALE. That I don't know.

Mr. COAKLEY. Like any other Federal employee, they could be separated through reduction in force. If my job is no longer necessary, I can be issued a notice saying, "Thirty days from now, your employment will cease."

Mr. WHITE. Without compensation for the balance of your contract period.

Mr. COAKLEY. Right.

Mr. WHITE. As a civil service employee, you do not sign on for any specific number of years.

Mr. COAKLEY. That is right. And the teachers are no different. They are not on an employment contract.

Dr. CARDINALE. It is a transportation agreement, where we agree that if they accept the fifth-grade job in Naples, we will pay their transportation, and that of their dependents; we will pay them a certain salary; and they are entitled to these benefits. That is the transportation agreement.

Mr. WHITE. One more question. If that teacher signs on for an additional 2 years on a stateside hire, is she entitled to return to visit the United States and then go back to Europe?

Dr. CARDINALE. Yes, sir.

If they are in a 1-year tour-of-duty area, at the end of every school year, not the calendar year, we will pay the person's return transportation to the United States and back again if she signs another transportation agreement.

Mr. WHITE. Are military and civil service employees also entitled to the same?

Mr. COAKLEY. Military are not, but the civilians are.

Mr. WHITE. Any civilian serving overseas is entitled to return with family?

Mr. COAKLEY. Yes, sir. Once he completes his agreement. In other words, he signs to stay 3 years, and that 3 years is finished, he then can say, "I am going to quit and go back to the United States," and we will pay his separation travel.

Mr. WHITE. Suppose he is on for 3 years and at the end of 2 years he wants to visit.

Mr. COAKLEY. No, sir, 3 years.

Mr. WHITE. So it has to be the end of the term, whether civilian or military.

Mr. COAKLEY. The military cannot do that.

Normally, if they are there on a 3-year tour of duty, and they elect to extend those people, they do not permit them to return to the United States.

Mr. WHITE. Thank you very much.

Dr. CARDINALE. Mr. Chairman, you mentioned the 2-year area also. Under the 2-year transportation agreement, teachers may not come home until the end of the second school year at Government expense. If they wish to come home at the end of the first school year, they must pay their own way back.

Mr. WHITE. So, Mrs. Morse, you are speaking of the fact that the NTE's are at the bottom of the totem pole, and are first selected for reduction in the event there is some change in base requirements.

Mrs. MORSE. That is correct.

Mr. WHITE. What you are suggesting is that we legislate to provide an equal security provision for those hired overseas as well as those hired in the United States.

Mrs. MORSE. Well, as presently exists in the bill as written, it seems about as equitable as can be expected, in that NTE's will probably still be on the bottom of the totem pole. But there won't be the end of the contract thing every year. In other words, this year I still want the job that I had this past school year, but I do not have it anymore. If the bill passed, I would have the job automatically the next school year, until I am finished, or until there is a reduction in force, and NTE's would have to leave.

Mr. WHITE. What about the rental and housing allowance? As a dependent of the military, your husband is receiving allowances.

Mrs. MORSE. He is presently, yes.

Mr. WHITE. And so you do not object to the fact that those who are dependents do not receive that housing allowance.

Mrs. MORSE. Only in part, because if my husband unexpectedly had to leave, I would definitely finish my contract, if I could afford it. The way it stands now, I would have to move out of my housing, I would have to pay tuition for my son to attend the schools, as has been explained to me at least, and I would not have any other compensation to help me live in Europe. I would be right back to the base salary. And so I feel that if you are unaccompanied—if an NTE is unaccompanied—they should be given the allowances, because it is very expensive otherwise.

Mr. WHITE. That seems sensible to me. In other words, only pay the housing allowance once per family.

Mrs. MORSE. Yes.

Mr. WHITE. All right. Were you as an NTE going to elect to go into the civil service system?

Mrs. MORSE. Well, I am going to elect to remain a teacher. That may depend. I am supporting the bill so strongly because I feel like I will be in Europe a great deal of the time the next 10 to 15 years.

Mr. WHITE. You spoke in your testimony that there was some discrimination as to national origin, women, and race. Would you like to elaborate on that?

Mrs. MORSE. Yes. There might have been some confusion there. I was saying as it exists presently, NTE's are told, "You do not get job security, because you are an NTE." For instance, I wanted to go to a workshop this summer, to keep up my professional capabilities. And I was told, "You cannot go, because you are an NTE." I said, "I'm a teacher." "No, you are an NTE, you cannot go." This doesn't make any sense to me. It is the same thing with the housing and the involuntary separation. So I mentioned in my testimony, if instead of "NTE" you would substitute one of the five EEO discrimination categories saying "You cannot go to a workshop because you are a black person"—you can see——

Mr. WHITE. You are not suggesting, then, there was any discrimination as to race or national origin?

Mrs. MORSE. Not according to the EEO standards, the five categories established. I am saying there is a great deal of discrimination, but it's not presently under EEO.

Mr. WHITE. I just wanted to be sure of that. Are you receiving the same basic salary as those hired from the United States?

Mrs. MORSE. The same basic salary, yes.

Mr. WHITE. And the only difference is the differentials that we spoke about, your housing allowance and travel.

Mrs. MORSE. That is correct, yes.

Mr. WHITE. Counsel, do you have any questions?

Mr. MCCLUSKEY. Just one, sir.

It seems very explicit in your testimony, then, that there is a morale problem due to NTE's, is that correct?

Mrs. MORSE. That is correct.

Mr. MCCLUSKEY. In your testimony you state that career-hired people were more upset over your being brought back into the system than anyone.

Mrs. MORSE. That is right.

Mr. MCCLUSKEY. So do you feel that there is a friction between local-hires and career-hire? It would appear that way from your testimony.

Mrs. MORSE. I didn't believe so until I ran into the problem of being reinstated. The situation as existed was that a stateside-hired teacher desired my position, and so I was being eliminated. When this termination of mine was rescinded, several other stateside-hired teachers were extremely angry, including my department head—and I have given some quotes in my written testimony. Later I attended my union convention, I spoke with several other people from all over USDESEA, and found that they are feeling very ill toward NTEs. A lot of them say, "If it were not for you people, we could get the transfers that we want, we would not be stuck in the same school for as long as we plan on being in the system."

Mr. MCCLUSKEY. So you do feel there is a problem.

Mrs. MORSE. Yes, sir.

Mr. McCLUSKEY. You talked about job security. But having been a student in the overseas school system, myself, your statement that you would stay to fill out your contract year is somewhat unusual, because I think it can be statistically shown as a fact that most NTE's, when their husbands are transferred, will just up and go with them.

Mrs. MORSE. Allow me to comment on a couple of points there. First of all, as I mentioned to Chairman White, I would want to stay very much. But economically, it may cost me more money to stay than I would be making for my salary.

Mr. McCLUSKEY. My point is even if these were compensated, I think statistics show that most women or men will follow their spouses.

Mrs. MORSE. That is the second thing I would like to address. I believe there is a problem in the recruitment of the NTE that should be more carefully studied, in that there are people that will leave before their professional obligations are completed. And I don't endorse that at all. In fact, I feel it should be made very clear to the people that apply for a teaching position that they are expected to stay, and in fact perhaps even penalities, financial penalties if they do not stay, because what I am concerned about is the high quality of education in the DOD schools. And I think that more careful recruitment could aid in stopping this business of leaving anytime they want.

Mr. McCLUSKEY. Thank you, Mr. Chairman.

Mr. WHITE. We have a vote on the floor.

I think the only last thing we need to cover in the testimony is, could you tell us, what was told to you at the time you were recruited as to your obligations and your benefits?

Mrs. MORSE. This past time that I was hired, things were more carefully explained, but this is all that was explained: "Be careful that you are not hired in substitute status to teacher status, because unless the paperwork goes through properly, you will be paid as a substitute"—which happened to me. Other than that, nothing was told me. And I did not even know—it was my fault because I did not read the contract—I could be fired in 7 days. I thought I had a contract that meant the length of time that I was going to be there.

Mr. WHITE. We certainly thank you, Mrs. Morse. Undoubtedly there will be further testimony. We will have further hearings. There is one already slated next Thursday at 9:15 in this room. We have a vote on the floor at the present time.

There being no further testimony at this time, we will declare the meeting adjourned until next Thursday.

[Whereupon, at 10:45 a.m., the subcommittee adjourned to reconvene at 9:15 a.m., Thursday, June 17, 1976.]

[The prepared statement submitted by Mrs. Morse follows:]

PREPARED STATEMENT PRESENTED BY LINDA SHOCKLEY MORSE

Chairman White, and members of the committee, I am here to speak in favor of Bill H.R. 9139. My address will be directed toward a section of the Bill dealing with involuntary separation. (The section to which I refer may be found on page 3, line 25, and page 4, lines 1–5 of the Bill). This small section will have an enormous, positive impact on all locally recruited teachers (NTEs) in their struggle for job security and professional equality.

The situation at present is that a teacher's professional credentials are held secondary to their hiring status. With passage of H.R. 9139 all teachers will have

the same status and all will be judged on the basis of performance within the DoD system.

My favorable position toward H.R. 9139 is a result of having been taken advantage of due to my NTE status. It is my opinion that this ill-treatment could not have happened had H.R. 9139 been law last December and that the ill-treatment of NTEs will continue unless H.R. 9139 is passed into law as soon as possible.

Presently, an NTE's contract is for a limited time and is renewed at the convenience of the school principal and local Civilian Personnel Office. For school year 1975–76, because of the unsettling situation in Turkey, meaning possible closing of military installations, hence schools, and a reshuffling of stateside hire teachers (DAC), the NTEs were granted contracts for one semester only. This point is brought to your attention because my former principal, Dr. Richard Penkava, attempted to use this extraordinary situation to terminate my employment.

At the beginning of the school year I was informed by Dr. Penkava of the need for a part-time Business Education teacher, a position for which I was being considered. However, he said a member of the present Physical Education (PE) staff, a DAC, was also qualified to teach Business and had a desire to do so. If the DAC were given the part-time Business position in addition to her other PE teaching duties, Dr. Penkava would be required to hire an NTE to fill the part-time vacancy left in the PE Department. Ultimately, I was given the job because, according to Dr. Penkava, I could be used three hours per day in Business Education, whereas the part-time PE teacher could be used only two hours per day.

On December 17, 1975, Dr. Penkava advised me that he was intending to replace me with the PE DAC for the second semester. He assured me the termination had nothing to do with my teaching ability but that he was simply trying to accommodate the wishes of one of his "professionals."

I felt hurt and humiliated because not only was I losing a job I valued highly, but Dr. Penkava had implied that, as an NTE, I was considered less than professional. Also, an explanation of my dismissal would have to be made to my students and their parents, many of whom are personal acquaintances of mine. That one teacher should be deprived of a job in order to please the desires of another teacher, regardless of hiring status, is an excuse not only too weak to be believed, but one too weak to be tolerated!

Therefore, I wrote letters to Mr. Roger Prince, Superintendent of District III, and Dr. Joseph Mason, USDESEA Director, advising them of the situation and asking for their considered attention to the matter. Dr. Mason's office advised me that Mr. Prince's office could handle the matter adequately and that I should continue to deal directly with them. When I heard nothing from Mr. Prince, I entered Step I of the grievance procedure, oral presentation of the grievance, with my local union representative from the Overseas Federation of Teachers. (For reference to Army Grievance Procedures, see Attachment – 1).

In reply to Step I, Dr. Penkava presented me with a DOD form which formally terminated my teaching position and a letter from Mr. Prince which stated in part: "Dr. Penkava has the highest regard for your professional ability and that the termination of your employment * * * is in no way a reflection on your performance as a teacher. The reason for this action is that Dr. Penkava wishes to broaden and enrich the Physical Education Program in the High School * * *" (See Attachments #2 and #3). I asked Dr. Penkava why the present staff could not handle the PE enrichment program as no new class hours were to be added. He refused to answer my question, saying he was not legally required to do so.

My question became a pertinent one. I approached Ms. Irene Richards, District III's Equal Employment Opportunity (EEO) person, asking for assistance in obtaining an answer as to why I had to be terminated when another NTE would have to be hired. Additionally, I explained to her that I was the only NTE in the school whose contract had not been extended. My claim to EEO then, was that I was being selectively discriminated against and being terminated for other than professional reasons. Ms. Richards stated that while there was some merit to my claim, EEO could not help me because my claim did not fit into one of the five areas of discrimination established by EEO.

During the meeting with Ms. Richards, on Monday morning, January 19, 1976, Mr. Prince happened by and joined our conversation. After some discussion he agreed to act as mediator in Step II of the grievance procedure. A grievance meeting was set for the coming Wednesday, January 21. On Monday afternoon, Dr. Penkava called me into his office and asked me about my unanswered question, stating that Mr. Prince, following the morning conversation at EEO, had directed him to give me an answer. I again repeated my confusion about being told my

termination was due to expansion and enrichment of the PE Program; the confusion stemming primarily from the facts that the approved second semester schedule had been printed with no changes in the PE Program and that students were being allowed to sign up for a new Business Math class to be taught by the PE DAC. Dr. Penkava's answer was ambiguous and non-committal.

However, Monday after school, Dr. Penkava met with Mr. Howard Dearing, the Counseling Department Chairman, in charge of the schedule. Mr. Dearing told me that in this meeting Dr. Penkava directed him to change the second semester schedule which was already being used for the second semester class registration then going on. Mr. Dearing was to add a new PE class and cancel the Business Math class.

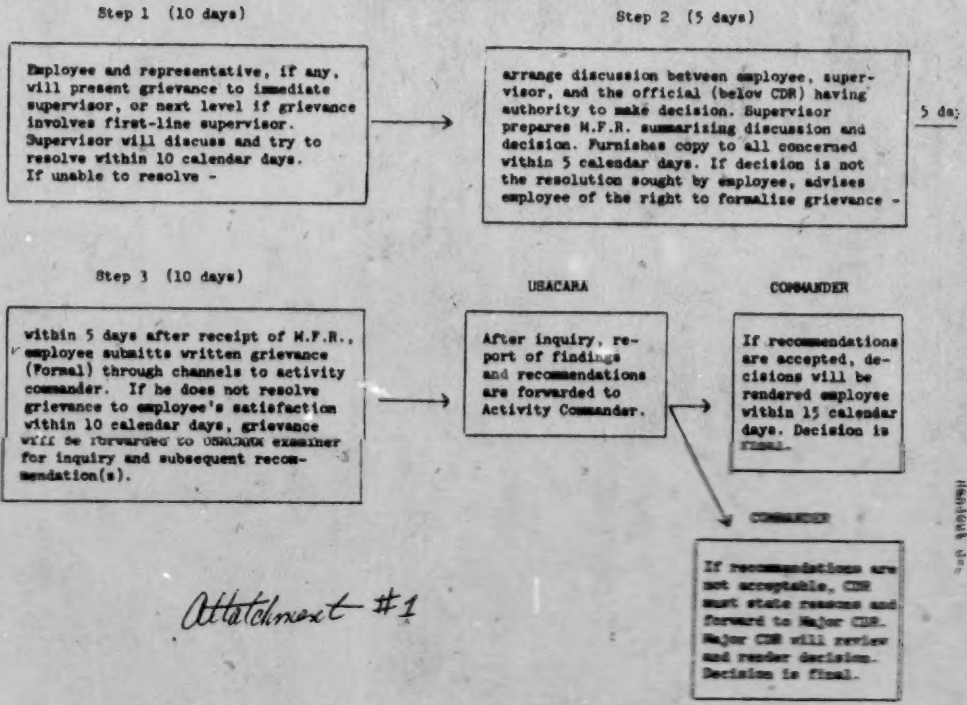
In the Step II grievance meeting (see Attachment 4, copy of Memorandum for Record) I charged Dr. Penkava with last minute manipulations of the schedule in order to make the appearance of a PE Program change at the mediation, when in fact, until Mr. Prince directed him to answer my question about present staff capabilities, he was not planning to expand the PE Program during the second semester.

At the conclusion of the meeting Mr. Prince upheld Dr. Penkava's decision to terminate me while reserving the right to reverse his decision after further thought. On Friday, January 23, Mr. Prince directed Dr. Penkava to rescind my termination and to extend my appointment until the end of this school year, stating that "Dr. Penkava can offer the additional courses he wants to offer during the second semester by reassigning the teaching duties of personnel presently on his staff including Ms. Morse."

This reinstatement should have been the end of a very unfortunate affair. It is regrettable that due to my reinstatement, a very emotional and heated disagreement occured within the faculty, repercussions of which have lasted to this day. One faculty member said she spoke for many when she told me angrily, "Your actions disgust me. The USDESEA schools should be run for the DACs . . . " My department head told me, "Well, frankly, I'm sorry you got the job back. Not because you're not a good teacher, but because the PE Department is a mess and I want to see Judy (the DAC) get out of there as soon as possible." Dr. Penkava told me that due to "staff cut-back" which eliminated my position, there would be no place on the faculty for me next year.

This rather sums up my entire point; which is that unless legislation to correct this unfairness is passed quickly, incidents such as happened to me will continue to happen, for NTEs are blatantly discriminated against because of hiring status. Passage of H.R. 9139 will make all teachers equal in status and will prevent the continuation of NTEs being taken advantage of, abused, used as stop-gap measures, and treated as less than professional members of the staff.

PROCESSING OF GRIEVANCES


Step 1 (10 days)
Employee and representative, if any, will present grievance to immediate supervisor, or next level if grievance involves first-line supervisor. Supervisor will discuss and try to resolve within 10 calendar days. If unable to resolve -
Step 2 (5 days)
arrange discussion between employee, supervisor, and the official (below CDR) having authority to make decision. Supervisor prepares M.F.R. summarizing discussion and decision. Furnishes copy to all concerned within 5 calendar days. If decision is not the resolution sought by employee, advises employee of the right to formalize grievance -
5 da;
Step 3 (10 days)
within 5 days after receipt of M.F.R., employee submitts written grievance (Formal) through channels to activity commander. If he does not resolve grievance to employee's satisfaction within 10 calendar days, grievance will be forwarded to USACARA examiner for inquiry and subsequent recommendation(s).
USACARA
After inquiry, report of findings and recommendations are forwarded to Activity Commander.
COMMANDER
If recommendations are accepted, decisions will be rendered employee within 15 calendar days. Decision is final.
If recommendations are not acceptable, CDR must state reasons and forward to Major CDR. Major CDR will review and render decision. Decision is final.

Attachment #1

Standard Form 50 Rev. Dec. 1977 Approved by U.S. Civil Service Commission FPM Ltr. 296

NOTIFICATION OF PERSONNEL ACTION

(Employee - See General Information on Reverse)

CR/35

(FOR AGENCY USE)

Attachment #2

1. NAME (Last, First, Middle)	2. (FOR AGENCY USE)	3. BIRTH DATE (Mo., Day, Year)	4. SOCIAL SECURITY NO.
MONGE, LINDA S		11-10-49	499-48-5305

5. VETERANS PREFERENCE	6. TENURE GROUP	7. SERVICE COMP. DATE	8.
1 - NONE	0	01-08-75	

9.	10.	11.

12. TYPE OF ACTION	13. EFFECTIVE DATE (Mo., Day, Year)	14. TYPE SERVICE OR OTHER LEGAL AUTHORITY
393 TERMINATION-EXP OF APPT	01-24-76	

15. POSITION TITLE AND NUMBER	16. PAY PLAN AND OCCUPATIONAL CODE	17. GRADE OR LEVEL	18. SALARY
TEACHER (HOH SD) CE 809	AD 1710	01 01	pay $ 8330

19. NAME AND LOCATION OF EMPLOYING OFFICE
USDESEA
SWEIBRUECKEN HIGH SCHOOL
APO 09860

20.	21.	22.	23.

24. NAME AND LOCATION OF SURVEYING OFFICE

25. DUTY STATION (City - State)
SWEIBRUECKEN, GERMANY, EUROPE

26. LOCATION CODE
GE-9900-000

27. APPROPRIATION
9760100.6001 09-3210 871417.12512 X40M004
91516

28. POSITION OCCUPIED
1 - COMPETITIVE SERVICE
2 - EXCEPTED SERVICE
2

29. APPORTIONED POSITION
(FROM) (TO) (TITLE)
1 - PRO-ED
2 - WAIVED

30. REMARKS
A. SUBJECT TO COMPLETION OF 1 YEAR PROBATIONARY OR TRIAL PERIOD COMMENCING
B. SERVICE COUNTING TOWARD CAREER (OR PERM) TENURE FROM
SEPARATIONS: SHOW REASONS BELOW, AS REQUIRED. CHECK IF APPLICABLE: C. DURING PROBATION

Receipt of this document constitutes notice to employee of termination due to expiration of appointment.

Forwarding Address: c/o Sweibruecken High School
APO 09860

31. DATE OF APPOINTMENT/AFFIDAVIT (Accession only)	34. SIGNATURE (Or other authentication) AND TITLE FOR THE APPOINTING OFFICER
32. OFFICE PERSONNEL FOLDER (If different from employing office) KAISERSLAUTERN AREA CPO APO 09227	W. Holus PERSONNEL HUMAN RES SPEC
33. CODE AR 00 EMPLOYING DEPARTMENT OR AGENCY DEPARTMENT OF THE ARMY	35. DATE 01-14-76 2422

DEPARTMENT OF THE ARMY
[illegible]
DISTRICT III
APO 09227

Attatchment #3

ASUDS-III

14 January 1976

SUBJECT: Employment - Ms. Linda Morse

Ms. Linda Morse
Box 344
APO 09860

Dear Ms. Morse:

1. I have consulted with Dr. Penkava regarding the points you raised in your letter of December 1975. Dr. Penkava has assured me that he has the highest regard for your professional ability and that the termination of your employment on 24 January 1976 is in no way a reflection on your performance as a teacher. The reason for this action is that Dr. Penkava wishes to broaden and enrich the Physical Education Program in the High School and has plans to offer Health and/or a coeducational Physical Education class. I hope you understand that the termination of your temporary appointment does not constitute a dismissal and Dr. Penkava will let this be known to the students, parents and the community, should you so desire.

2. If, at some future time, a vacancy develops for which you are qualified, we would be happy to consider you to fill it.

3. Please accept my sincere appreciation for your fine service during the first semester and my best wishes for future success.

ROGER A. PRINCE
Superintendent

Telephone: Vog Mil (2226-)7285/6542

DEPARTMENT OF THE ARMY
UNITED STATES DEPENDENTS SCHOOLS, EUROPEAN AREA
OFFICE OF THE SUPERINTENDENT
DISTRICT III
APO 09227

Attachment #4

AEUES-III 23 January 1976

SUBJECT: MEMORANDUM FOR RECORD, Second Step Grievance Meeting - Ms. Linda Morse

Ms. Linda Morse
Box 344
APO 09860

Ms. Alma R. Ford
Box 702
APO 09860

1. A meeting was held on 21 January 1976 at 0900 hours in the Zweibruecken High School to hear the grievance of Ms. Linda Morse, teacher at Zweibruecken High School, in a second step meeting. The following individuals were present at the meeting:

a. Ms. Linda Morse, teacher, Zweibruecken High School
b. Ms. Alma Ford, Ms. Morse's Representative
c. Dr. Richard Penkava, Principal, Zweibruecken High School
d. Mr. Roger Prince, Superintendent, District III

2. This grievance is being filed under the Department of Army grievance procedures.

3. Ms. Morse is grieving her termination of employment as a not to exceed (NTE) teacher at the Zweibruecken High School, effective 24 January 1976. As resolution to this grievance, she is asking that the termination action be rescinded and that her appointment be extended until the end of this school year.

4. During the discussion it was established that the termination action was being taken as a result of the planned reassignment of the teaching duties of another staff member to provide additional course offerings to students in the area of health and/or co-educational PE. Specifically, Ms. Morse has taught three business courses since last fall. For the second semester, Dr.

AEUES-III 23 January 1976
SUBJECT: MEMORANDUM FOR RECORD, Second Step Grievance Meeting - Ms. Linda Morse

Penkava intends to assign these three courses to another member of the staff and to locally hire an applicant to teach health, thereby expanding the program for students. Ms. Morse is qualified to teach only business courses. Dr. Penkava first informed Ms. Morse of his intention to terminate her appointment on 18 December 1975. The discussion of the grievance also covered the status of NTE employees and the plans for scheduling of classes during the second semester.

5. My decision in this grievance is to rescind the termination of Ms. Morse and to extend her appointment until the end of this school year, 11 June 1976. My decision is based on the assumption that Dr. Penkava can offer the additional courses he wants to offer during the second semester by reassigning the teaching duties of personnel presently on his staff, including Ms. Morse. This conclusion was verified in my conversation with Dr. Penkava on 22 January 1976.

6. I assume that the action outlined in paragraph five is a satisfactory resolution to your grievance.

ROGER A. PRINCE
Superintendent

Telephone: Vog Mil (2226-)7285/6542

74-887 O - 76 - 3

OVERSEAS TEACHERS

THURSDAY, JUNE 17, 1976

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
SUBCOMMITTEE ON RETIREMENT AND EMPLOYEE BENEFITS,
Washington, D.C.

The subcommittee met at 9:30 a.m. in room 304, Cannon House Office Building, Hon. Richard C. White (chairman of the subcommittee) presiding.

Mr. WHITE. The subcommittee will come to order.

This subcommittee has reconvened this morning to continue its oversight hearings into the problems in providing education overseas for dependents of the U.S. personnel, with particular emphasis on the problems of local hires overseas.

This subcommittee has long been interested in helping to insure that eligible dependents attending overseas schools receive a high-quality education.

In reviewing the many letters received by the subcommittee, as well as the past report of this subcommittee encompassed within Committee Print 93–9, entitled "Study of benefits for teachers in the overseas dependent school system," and the GAO report entitled, "Problems in providing education overseas for dependents of U.S. personnel" issued September 24, 1974, all three seem to bear out the fact that one of the most serious morale problems among overseas teachers is the fact that teachers working side-by-side in identical jobs receive widely disparate benefits.

I hope the witnesses today will be able to speak to this situation because I do not believe that the potential this problem has for creating adverse effects both on teachers' morale and on developing a psychology of career commitment to teaching overseas should be minimized, for an employee's morale has definite influence on the quality of work he puts out.

Our first witness this morning will be Mr. Carl J. Megel, co-director of legislation, American Federation of Teachers; accompanied by Mr. Peter J. Migliaccio, legislative director for Overseas Federation of Teachers, and Mr. Kenneth Pushko, not-to-exceed overseas teacher.

The policy of the subcommittee is to permit the witnesses to summarize or read their statement, providing it's not too long.

(31)

STATEMENT OF CARL J. MEGEL, CO-DIRECTOR OF LEGISLATION, AMERICAN FEDERATION OF TEACHERS, ACCOMPANIED BY PETER J. MIGLIACCIO, LEGISLATIVE DIRECTOR FOR OVERSEAS FEDERATION OF TEACHERS, AND KENNETH PUSHKO, NOT-TO-EXCEED OVERSEAS TEACHER

Mr. MEGEL. Thank you, Mr. Chairman.

I'm Carl Megel. I have with me this morning two of our members who have come to testify this morning.

On my left is Peter Migliaccio who is legislative director of our Overseas Federation of Teachers, AFL–CIO, and a teacher in the Navy Dependent School base in Naples, Italy.

On my right is Kenneth Pushko who has served overseas as a not-to-exceed teacher—N.T.E.

We have a prepared statement.

Mr. WHITE. I have no objection at this time to your prepared statement being placed in the record.

[The complete statement follows:]

PREPARED STATEMENT OF CARL J. MEGEL

Mr. Chairman and members of the subcommittee, my name is Carl J. Megel. I am the Co-Director of the Department of Legislation at the American Federation of Teachers, AFL–CIO, embracing approximately 500,000 classroom teachers.

Our organization embraces nearly 3,000 teacher locals, including locals of overseas teachers, organized into the Overseas Federation of Teachers.

With me this morning is Peter Migliaccio who is Legislative Director of our Overseas Federation of Teachers and a teacher in the Navy Dependent School base in Naples, Italy.

Also with me is Kenneth Pushko who has served overseas as a "Not To Exceed" (N.T.E.) teacher.

These competent teachers have both come from Europe to be here this morning to acquaint you, Mr. Chairman and members of the Committee, with the many problems relating to their overseas teaching duties. Specific among these are those that relate to their salary and to the disposition of the "Not To Exceed" (N.T.E.) teachers. Both of these items are dealt with in a Bill H.R. 9139 introduced by Congressman Charles H. Wilson of California.

This is a bill to prohibit discrimination against locally recruited teachers in the granting of overseas differentials and allowances, revise the method of establishing the compensation of overseas teachers, and for other purposes. And now may I present Mr. Migliaccio who will state his point of view, after which Mr. Pushko will present the N.T.E. difficulties.

PREPARED STATEMENT OF PETER J. MIGLIACCIO

Mr. Chairman and members of the subcommittee, on behalf of the Overseas Federation of Teachers I wish to express a sincere appreciation for this opportunity to speak with you today. My objective will be to provide you with information to illustrate the need to rectify certain overseas teachers' employment benefits and practices through legislation.

Teacher problems in the overseas schools are many and varied. Undoubtedly, members of this committee as well as many other Members of Congress have become aware of these problems through the voices of their constituents. The following are a sampling of these problem areas:

(1) Teachers hired locally (overseas) are denied benefits that are given to their colleagues who were hired in the states.

(2) The method of determining the salary scale of overseas teachers is cumbersome and always in a catch-up posture.

(3) As PL 86–91 employees, teachers are really never sure where they fit into the federal government work force as personnel policies and practices are interpreted differently from one place to the next and from one year to another.

(4) Lack of adequate appropriations causes slashing of supply funds, elimination and/or decrease of needed educational programs, loss of monies for repair and maintenance, and overcrowded classrooms.

(5) There is no career ladder for the classroom teacher in that once you become a Teacher Class I, you remain a Teacher Class I. Advancement can only occur by leaving the classroom. This means no promotion EVER!

(6) Public Law 86–91 employees receive no paid holidays—None!

Now the Overseas School System is supposed to provide an education that is comparable to the better school systems in the United States. It should be obvious to all concerned that a system beset with both financial and employee morale problems will have great difficulty providing the educational goals it is seeking.

Congressman Charles H. White of California has introduced H.R. 9139, which would eliminate some of the major problems. Specifically, it would provide equality in benefits without regard to the geographic place of hire. It would also provide the overseas teachers with a basic compensation rate equal to that of the District of Columbia Teachers' Salary.

This statement offers a limited overview of the problems of the overseas schools and the teaching employees in particular. We will be happy to answer your questions concerning these problems.

PREPARED STATEMENT OF KENNETH PUSHKO

Mr. Chairman and members of the subcommittee, my name is Kenneth Pushko. I am here in support of H.R. 9139. There is, there has been, and there will be discrimination against locally recruited teachers in the European Region if H.R. 9139 or something similar is not passed by Congress. Officials of the Department of Defense, Department of the Army, and the Organizational Body of the dependent schools, USDESEA, treat locally recruited teachers as second class citizens. The act of hiring locally recruited teachers in a different category than stateside hires has been created by arbitrary acts of military administrative officials without regard for the rights of American citizens. They formulate regulations that contradict Federal Laws without concern.

I was a locally hired teacher. I feel I have been wronged. If you would permit me, I will list the reasons why I feel the way I do.

(1) Equal Employment Opportunity Program (Department of Army) is to provide equal employment opportunity to all persons and: (a) Fellow workers are assured jobs while I was not (b) they are given possibilities of transfers while I was not, and (c) they are given possibilities of advancement in the system while I was not.

(2) Title VII of the Civil Rights Act of 1964 prohibits any employer from discriminating:

(a) Letters of Intent were filled out by teachers December 15, 1975. My fellow workers were allowed to state their desires of location of job next year, preference of subject matter for next year in present school, and qualified people were asked if they desired administrative or counseling positions.

(b) My fellow workers were given job security while I was not.

(c) If I am to be rehired next year, I will not get to pick my position but must take the "leftovers" and thus be kept in the "ghetto" jobs or positions.

(3) Equal Pay Act of 1963: (a) The Act calls for equal pay "which requires equal skill, effort, and responsibility"; (b) court ruling in New Jersey ruled that jobs did not have to be identical only "substantially equal"; (c) the Act prohibits passing over, because of discrimination, promotion to jobs carrying higher pay (same work, different opportunities for promotion); and (d) the Act prohibits different titles that carry lower pay for the same work (male "janitors" always have been paid more than female "maids").

I feel that I have been discriminated against under the Equal Pay Act in the following ways:

(a) My fellow workers are given living Quarters Allowance of approximately $200 per month (this varies) while I was not.

(b) My fellow workers are allowed to keep their logistical support during the summer while I was not. Their standard of living and cost of living are subsidized by the Federal Government. This is another form of pay I was not allowed to keep. This includes: paying $1.40 for a gallon of gas instead of $.60; paying $5.00 for a pound of beef instead of $1.25; and exclusion from the use of the clinic, PX, post office, barber shop, and Recreation Center.

(c) I have no opportunity for the higher paying jobs in the system. I could not even apply.

(d) My fellow workers are given a title or classified as "DAC" while I was "titled" or classified as an NTE which brings about pay inequalities.

(4) Inconsistencies in hiring practices by the Department of Army in Europe. "Selective Discrimination."

A private company (example, IBM) hires someone in the United States for a job in Europe. This person works for IBM in Europe for a period of time. IBM indicates to him that his services are no longer needed and that he will be shipped home (or the person does not desire to work for IBM anymore). This person can then apply for a job with the Department of Army and, if hired, receive full benefits. Or, if the Department of Army hears that this person is being released and wants to hire him because he would be valuable to them, he is hired with full benefits. This benefits both parties. The Department of Army does not have to pay for a person to come from the States, IBM does not have to pay for the person's return to the States, and the person himself can remain in Europe.

I was hired in the United States by Institut Montana, CH 6316 Zugerberg, Switzerland, in July 1973. I stayed at Institut Montana for a period of 2 years. I did not want to work for Institut Montana anymore but desired to stay in Europe. I applied for a job with DOD and was hired the first part of September. DOD classified me as a local hire, but I was not given stateside status. I feel I have been selectively discriminated against by DOD, Europe. IBM personnel are given stateside status while I was not.

I am not here just to support H.R. 9139 or to inform you of the justification of such a bill. I am here to tell you of the effect being "hired locally" has on a school system like mine. There is a demoralizing effect that usually leads to personal frustrations. The efficiency of the teaching in the school often suffers as well as the academic achievement of the student.

When I was teaching my Eighth grade class about the Jim Crow Laws of the South, I thought of my own situation. While separating the Blacks and the Whites with a series of laws that occurred in the South, DOD here in Europe separates the stateside hires from the locally hired teachers. There were different laws and regulations pertained to me. When I questioned the rights or wrongs of the situation, they always answered with the statement that I had been treated fairly. The laws and regulations that covered my working conditions and those of the stateside hires were always separate but seldom equal.

I have tried to explain to you in legal terms what I had to come up against in my past position. Now, I will try to convey to you my feelings in the most simple terms I can. I was doing the same job as the person in the next room, but I did not get the same benefits nor the same job security. When the system passed out the work, it passed it out evenly, but when payment came for the work, the stateside hires were rewarded more than I was. Sometimes I became so frustrated that I thought about quitting. Sometimes I thought I should work less because I was getting less. In any event, the system did get me down at times. I believe the military calls it Morale. My state of mind is important. It was difficult to stimulate the students when I was down in the dumps over something I had no control over.

H.R. 9139 is needed and needed badly, now. I hope I have shown you, in a small way, why the bill is needed not only for the compensation aspect but also for the job security it will give the locally hired teachers. If the same status is given to the locally hired teacher as is given to the "DACs," the pawn pushing escapades of the Administration will cease. People will no longer have to set aside their beliefs to keep their jobs. Morale will increase, and the school will become again what it was designed to be—a place to teach the youth of our nation in the most efficient way possible—with a united faculty aiming for the same goals. academic achievement.

Mr. WHITE. You may continue.

Mr. MEGEL. We would like for Peter to make the opening statement. Peter, please discuss the issues which you see as the issues that face our members overseas.

Mr. MIGLIACCIO. First, I would like to thank you, Mr. Chairman, for this opportunity, and I'm gratified that we get a chance to present the problems of overseas teachers.

Mr. Chairman, I will just make an overview of some of the things that are in our brief.

As you mentioned, there are a number of problems overseas, and I'd like to mention a few of those problems and talk specifically to two or three of the more important ones I think the committee is interested in.

Teachers who are hired locally are denied benefits that are given to their colleagues who were hired in the States.

The method of determining the salary scale of overseas teachers is not only cumbersome, but it is also always in a catchup posture.

As Public Law 86–91 employees, teachers are really never sure where they fit into the Federal Government work force as personnel policies and practices are interpreted differently from one place to the next and from one year to another.

Lack of adequate appropriations causes slashing of supply funds, elimination and/or decrease of needed educational programs, loss of moneys for repair and maintenance, and overcrowded classrooms.

There is no clear ladder for classroom teachers. Once you become a teacher class I, you remain a teacher class I. Advancement can only occur by leaving the classroom. This means no promotion, ever.

Public Law 86–91 employees receive no paid holidays, none. I think we have the only Federal employees without paid holidays. We have dorm counselors who work 57 hours a week and whose compensation would shame anyone.

Teachers' sick leave is limited to 75 days while all other Federal employees may accumulate much more. There is no actual contract for a teacher overseas, merely a travel agreement. So that means job security is also in jeopardy.

As noncompetitive employees, the overseas teachers are not entitled to job rights in the continental United States.

More specifically, in dealing with the problems of the locally hired teachers, classified as NTE, not-to-exceed, I have a few things to say. Hopefully, the bill, H.R. 9139, will solve that problem.

I have here before me memorandums and letters dealing with the not-to-exceed problem, how teachers are converted, what rights they have, and what rights they don't have, what benefits they might not accrue dating back to May 1967, which I would be glad to share with counsel later, if he feels there is a need to show that year-to-year these people have been treated differently.

If the committee would take into consideration the numberous hearings and reports that have been given by various subcommittees, I brought four of them with me.

In April 1967, there was a report by the Investigating Committee, General Subcommittee on Labor and Overseas Schools, which contains valuable information on overseas teachers.

In June 1970, a report by the Investigating Committee of the General Subcommittee on Labor, filed another report. Here, again, they talked of poor facilities for teachers overseas and the differences in their treatment.

In 1973, in the study of benefits for teachers in overseas dependent schools by the Committee on Post Office and Civil Service, an extensive report was given. I would like to make a couple of comments from that report.

In their opening statements, they said that in general, a high quality of education was being given to the children primarily due to the

teachers and the administrators. "They work against overwhelming odds because of the poor facilities, fluctuating priorities and various bases, and morale problems created by disparity of benefits among teachers."

In their findings, they said if there was a problem it would be the fact that teachers working side-by-side in identical jobs receive widely disparate benefits.

The main problem is that teachers in the Department of Defense do not view benefits such as living quarters allowances and travel agreements in the same light the department views them, as incentive to lure teachers overseas. It is the teachers' view that men and women in the same job are being paid disparate benefits.

Such an attitude is reflected in meetings with both teachers and administrators. It cannot be overstated. According to this, in 1974 there was a hearing on H.R. 5619, and again, this was the main point of this bill, to put teachers on an equal basis as far as benefits are concerned.

What I'm trying to show is that there has been a history of a morale problem. It's longstanding problem, and I should hope that after 10 years, a committee might see that we can no longer tolerate such exploitation.

Mr. Clewlow testified on Wednesday that it would affect approximately 142 people in our overseas schools.

Now, there was something in the hearing in 1974 that was, to me, incredible in its logic. Congressman Waldie was asking questions concerning why a particular provision was dropped in 1971 that had allowed some NTE's who were locally hired to be granted certain benefits such as housing and transportation. And then it was answered by Mr. Coakley, who said, "I think it was dropped because of the tremendous problems we were having in providing the judgmental factors of the purpose of a person being in a country."

In other words, it came down to an interpretation of whether the teacher was there looking for work, not passing through as a tourist. Under such circumstances, he could not be given an allowance. If he was passing through as a tourist, he could be given allowances.

We were in the same position we are in now. We were having tremendous problems equating benefits for the work force. It was decided rather than to judge who should get it or not get it, it would be better to not give it to anyone.

Also from the State Department, Miss Warwick had said that the regulations were permissive. And when Mr. Waldie questioned that, she said they were permissive, and she said you may not exceed what is the regulation, but you could give less.

Therefore, that 1971 proposal was an administrative action. You will probably be told that administratively it can be done, these benefits can be given.

You may wonder why we are asking for statute action. We are asking for it because administratively, we will not get it.

I worked overseas, and there are people who are there 7 or 8 years who receive no housing allowance. I know you will hear people say this is an incentive and retention factor. Well, they use it as two reasons, but I consider it just one.

Now, I can speak personally to the incentive aspect, because I was hired in the United States of America, and I didn't get a housing allowance. I submitted an application, filled out a form at Griffins Air Force Base in New York, and I got a job. Not being in the service, I didn't know what some of the benefits were.

As for retention, I have been working for the overseas schools for 17 years. I don't feel retention to be a net gain. I feel in this world, today, overseas, where the cost of living has risen to astronomical levels, where renting an apartment could cost half a person's salary, we can't afford to let good teachers pass us by because they can't afford to live there.

They talk about retention, and this was brought out also by Congressman Waldie. He said, "Teachers have been teaching overseas for 25 years, and every year that teacher will receive a housing allowance so that teacher can be retained. And you have teacher X who is a NTE, hired locally. What is the incentive for retaining them? I think the reasoning is mixed up. I don't believe that was the intention, originally. Obviously, it is the intention of those in power. It is time to relieve this group because they are being discriminated against."

The other day the Senate opened its Chamber, and one of the things it mentioned was that democracy is a form of humanity. I think humanity must enter here, some form of humanity.

We have here with us a young gentleman who is an outstanding teacher who doesn't have a job next year because he was hired locally. In other words, merit doesn't seem to be important. What does seem important is financial expediency, and for the amount of money involved. I don't think it's fair.

We talk about salaries, et cetera, I want to mention, that I have a letter that was written by the American Express to a teacher who has a master's degree. And this teacher had asked for a credit card. The letter says: "Dear sir, we are sorry that we cannot comply with your request for an American Express card. This decision was taken because currently it would seem your basic income does not meet our minimum requirements."

I think it's sad when you have a teacher who has worked overseas for a number of years who does not meet the requirements for a credit card. That is why the bill is requesting the Washington, D.C., salary scale, an average scale which would be better for us. It would do away with the problems of computing problems, and paying retroactively.

As of today, for instance, the teachers overseas are paid on last year's salary scale. I understand just before I left Europe that the money did come through, and that we will be paid retroactively through last August. These are important aspects, and they need to be looked into.

I have a letter here from a woman in Bahrain, a locally hired teacher. And when she returned to Bahrain, after being in Karlsruhl——

Mr. WHITE. Pardon me, sir. We have other witnesses and you must conclude.

Mr. MIGLIACCIO. I think this is an important problem where five teachers, hired locally in Bahrain were told, "No, we cannot give you transportation to return to Europe. Unless you are working with the U.S. Government or the Bahrainian Government, you don't have a right to be in this country.

Mr. WHITE. They were stationed in Bahrain?

Mr. MIGLIACCIO. Yes, as teachers.

Mr. WHITE. They were in Bahrain?

Mr. MIGLIACCIO. No, they were in Europe. They were hired as locally hired teachers. They would have a job if they went to Bahrain. And they went with the understanding that they could come back to Continental Europe.

Mr. WHITE. Was that in the contract?

Mr. MIGLIACCIO. There never is a contract for teachers overseas.

Mr. WHITE. Has anyone had that understanding as a universal policy?

Mr. MIGLIACCIO. It has been the understanding.

Mr. MEGEL. Do we have a few moments where Mr. Pushko can give some comments?

Mr. WHITE. Yes.

Mr. PUSHKO. The reason I come here today is to try to tell you what it is to be a NTE overseas. In my school there was a reduction in enrollment. On May 5th, the day of my conversion, I was told that I would be terminated. This termination is based upon the fact that I am a locally hired teacher. I have excellent recommendations from my former principals, and it wasn't based upon my interpretation to the school nor to the consistency of the instructions that occurred in school.

There were other first-year teachers in school who were hired in the United States, and they were not approached about termination from jobs, so therefore, on May 5th, after everyone else was given their jobs back by at former school, I was terminated. There is absolutely no reason given to me, only the fact that I was a locally hired teacher, an NTE.

I was one of those 142 people mentioned in Tuesday's hearings, that I am not a dependent in Europe. When school ends June 10th, everything is taken away from me, my license plates, my registration of my car, my post office privileges.

Not only do I get less during the year, I get nothing at all during the summer. No matter what I did in the classroom, no matter how good a teacher I could be, it wouldn't make a difference.

Mr. WHITE. Why do you think the U. S. Government has made a decision about this.

Mr. PUSHKO. I believe I'm a fudge factor, that between June and September, the school contracts and contorts between population and enrollment. There is a big organizational group, and this new group is coming into my former group. There are no statistics compiled on how many students would be coming in the group, how many families. So, it's very easy for them to just fire me, wait until September comes around, and hire someone new.

Mr. WHITE. Let me ask you something. When the U.S. Government goes to a school system in the United States and recruits, I assume they take a teacher out of a career program in a school system; am I correct on that?

Mr. PUSHKO. I think so, yes.

Mr. WHITE. Now, when a person is hired overseas, they are not associated with a school system at that time and do not have a school program in which they are developing retirement benefits et cetera;

am I correct on that? You are not footloose quite, but otherwise unemployed at that point?

Mr. PUSHKO. I guess.

Mr. WHITE. So, is there some distinction in the sense that you are recruiting a person in a school system and enticing them from that school system to go overseas and thereby set aside whatever program they had there as compared to someone who is not employed and pulls into a system at that point? I mean, we can talk more about benefits from that point on. Would that be some distinction between the two avenues into the overseas system?

Mr. PUSHKO. I'm not sure what you are trying to get at. It's not clear in my mind. When I was hired in September, the school had already been in existence for 2 weeks.

Mr. WHITE. How did you happen to be overseas?

Mr. PUSHKO. I was a teacher in a private school in Switzerland.

Mr. WHITE. You were already there?

Mr. PUSHKO. Yes, sir.

Mr. WHITE. Did they come and recruit you in Switzerland?

Mr. PUSHKO. I worked for a school in Karlsruhe. I filed all the applications for employment.

Mr. WHITE. In the testimony, in the last hearing we had, there was presented an actual recruitment program that goes to 600-some-odd schools in the United States, the same schools that generally formulate the average for the pay scale of teachers overseas. Are you familiar with that?

Mr. PUSHKO. Yes.

Mr. WHITE. So, when they have a recruitment program, they go to the school and say, "We want you to come with us"?

Mr. PUSHKO. You put in an application.

Mr. WHITE. Do they ask you to come, or does anyone who wants to apply, apply?

Mr. PUSHKO. I'm not sure.

Mr. MIGLIACCIO. Mr. Chairman, anyone can apply.

Mr. WHITE. Do they, normally, in getting teachers from the continental United States take a teacher out of a system in the United States?

Mr. MEGEL. Not to become an NTE. Those are hired locally overseas.

Mr. WHITE. I understand that. That's what I'm driving at, the distinction between the NTE's and those hired in the United States.

Mr. MEGEL. Because of the irregular enrollment, they must hire some temporary people to fit into the school program. We have no objection to that. Our objection is to the large number of people they employ, because they do not——

Mr. WHITE. I understand. I want to follow some lines of questioning. We'll get to your points. I have your testimony here.

As to the NTE's, I understand a number of these NTE's are dependents of military personnel or State Department or other American employees overseas; is that correct?

Mr. MIGLIACCIO. Yes; it is.

Mr. WHITE. Now, I understand, too, that it was stated that in the event that an NTE should become abandoned or normal breadwinners are deceased or something of that nature, then some of these benefits are extended to them, such as travel.

Mr. MIGLIACCIO. That's correct.

Mr. WHITE. Do you feel that an NTE who is a dependent and who has travel opportunities with their spouse, if that's what the situation is, should also receive a travel allowance from the U.S. Government which would be a duplication?

Mr. MIGLIACCIO. Of course not.

Mr. WHITE. So, what we're talking about is about 148 people.

Mr. MIGLIACCIO. Mr. Congressman, to say we have 146 temporary employees in a system going on for 46 years, I think there is a need to have flexibility.

Mr. WHITE. I don't object to them hiring dependents overseas, because they're there, and their income in certain areas needs supplementing, especially if they are military personnel of lower grades, so I don't object to that.

We found this situation in PX's and commissaries overseas. Sometimes the practice was to hire a local non-U.S. citizen, and that threw out of work many dependents who needed those jobs.

Mr. MIGLIACCIO. That's why we want to talk about less than 150 people.

Mr. WHITE. All right, let's talk about 150 people, then.

You're asking that those people overseas be given travel allowances even though they were recruited in the continent of Europe or wherever the school may be, in the tourist status or overseas status?

Mr. MIGLIACCIO. The reason is, we want them to have the same opportunity as others have. The U.S. Government, every 2 years, gives a travel allowance to the United States and return to your job. The idea is to get you back in the United States so you don't become an expatriot. These people being denied that benefit don't have that opportunity.

Mr. WHITE. Let's talk about some of these other benefits you're speaking of. The living quarters allowance that you spoke of, is also received by dependent families, right?

Mr. MIGLIACCIO. Yes.

Mr. WHITE. In the status of military personnel?

Mr. MIGLIACCIO. That's true.

Mr. WHITE. So when you are speaking of living quarters allowance, you are speaking of these 150-some odd?

Mr. MIGLIACCIO. Right. Those people who have no allowance.

Mr. WHITE. Well, I have no problem about that, either, as far as that goes.

What other benefits are you speaking of?

Mr. MEGEL. Salary, since they will be put on a salary schedule after 90 days.

Mr. MIGLIACCIO. That would be to convert them to a regular Department of Army civilian.

Mr. WHITE. What are they receiving, now?

Mr. MIGLIACCIO. According to the amount of experience, because of the latest suit.

Mr. WHITE. Describe, again, the difference between a recruit from the United States and an NTE as to salary program.

Mr. PUSHKO. We get, basically, the same salary, except that when the teachers get their paychecks, it is only approximately $150 tax free for a housing allowance every 2 weeks, which I do not get.

Mr. WHITE. If we allowed the housing allowance, that would take care of that?

Mr. PUSHKO. Also, I have to pay for my own medical. I asked to pay 100 percent of the price of the plan, and they said it wasn't possible.

Mr. WHITE. Are those hired in the United States allowed a medical program?

Mr. PUSHKO. Yes; they are. And I believe the Government pays half.

Mr. WHITE. Is this the regular Federal insurance program?

Mr. PUSHKO. I think so.

Also, as an NTE I'm allowed to use the clinic, but if anything major happens, if I should have appendicitis and have to have surgery, I have to pay for it myself.

Mr. WHITE. Is it because the others are considered regular Federal employees?

Mr. PUSHKO. I'm temporary.

Mr. WHITE. So, you are asking a classification for those who are temporary to be allowed medical benefits as well?

Mr. PUSHKO. Yes.

Mr. WHITE. What others?

Mr. PUSHKO. Since I'm a temporary employee, I don't have any right to join these workshops in the summer to improve my professional abilities. I'm excluded from that because I'm a temporary employee.

Mr. WHITE. Are those who are hired in the United States, contracted for a 2-year period?

Mr. PUSHKO. It depends on the area. In Germany, it's 2 years. It's 2 years in most cases, some areas, it's 1 year.

Mr. WHITE. Suppose a 1-year, hired in the United States, during the summer period when the workshop, I presume, takes place, would they be entitled to go to a workshop even though they have not contracted for an additional year?

Mr. PUSHKO. I'm not sure of that.

Mr. WHITE. That's the difference.

Mr. MIGLIACCIO. They would be entitled if they had signed a new travel agreement to return.

Mr. WHITE. That's the point. Would it not be fair then for those that are hired overseas to be entitled to workshops providing they contract for an additional year or whatever, the same system that is used on those hired in the United States, because if you are on a temporary basis, I cannot see the U.S. Government giving you a workshop if you are not giving them something in return.

Mr. PUSHKO. To some extent, we are not given the opportunity to contract for the next year. They are hired 3 months before—before I was given a chance to get my job.

Mr. WHITE. If you have performed satisfactorily after your first year as an overseas hire, I believe there should be some sort of provision so you could hire over and go into the permanent system.

Mr. MIGLIACCIO. The NTE does not know. Many of these people are hired late, after the school year begins.

Mr. WHITE. Is there no way that a NTE can become permanent?

Mr. MIGLIACCIO. Yes, they can convert them to a Department of the Army civilian. They can convert that.

Mr. WHITE. How?

Mr. MIGLIACCIO. There was a provision after 150 days of satisfactory consecutive service, a teacher could be or may be converted, and that was left up to the whim of various administrative levels and the need, perhaps.

Mr. WHITE. Is this not used today?

Mr. MIGLIACCIO. Obviously not.

Mr. WHITE. Have any of the NTE's who are not dependents requested permanent status?

Mr. MIGLIACCIO. I think they all have.

Mr. WHITE. Have you requested this?

Mr. PUSHKO. Yes, I have, but the school staff was cut back.

Mr. WHITE. Counsel advises me that provision was dropped in 1971 by regulation. Are you familiar with that, Mr. Cardinale or one of the gentlemen from the Department of the Army?

Mr. COAKLEY. There still is a provision for converting NTE's to regular, full-time teachers after they have taught 1 year in the system. I think he said it was based on need, and that is what it is. In other words, Mr. Pushko, if we had a need for him in that school next year, he probably would have been given a tentative commitment for a job in the fall provided the conditions under which the offer was made do exist, the flexibility that we need. If we don't need all the teachers that year, you know, we can't offer them full-time employment.

Mr. WHITE. But they can become permanent at the end of 1 year?

Mr. COAKLEY. They will not become eligible for the living quarters allowance.

Mr. WHITE. If they are not a dependent, why couldn't they be given a living allowance?

Mr. COAKLEY. Because they are a local hire.

Mr. WHITE. Well, it seems shortsighted and disparate. It seems awkward to discriminate in this manner against those who desire to stay in this system and who have evidenced their desire to teach in the locale.

How many conversions have there been since 1971? Do you have any idea?

Mr. COAKLEY. I don't have a figure, but I would say they have been substantial.

Mr. WHITE. Have there been many instances where temporaries overseas who desire to convert have been turned down and yet the recruiting programs have continued in the United States?

Mr. COAKLEY. We have continued to recruit in the United States. The problem last year, and probably the problem next year, was a situation in Turkey. We had to, at least temporarily, postpone our conversion program this past year because we were fairly certain we were not going to be able to reopen the schools in Turkey this fall. So we had to have the jobs available from last year to take care of the permanent work force.

The 142 figure, Mr. White, was those that were hired last year only. There were many more people in the system from previous years that were hired locally. Not only teachers, but I think we said you had to go the whole Government work force. There will be a lot more than 142 people involved totally.

Mr. WHITE. Could you provide for the record the last 6 years of your personnel overseas in a teaching capacity, differentiating the recruited, hired in the United States, those hired overseas, those who are NTE, those who are dependents, those who are converted, and those who applied for conversion and were turned down and what recruiting was pursued in each particular year, how many were recruited in each particular year. That might be of help to us.

Mr. COAKLEY. I think we have most of that.

Mr. MIGLIACCIO. Mr. Chairman, I know it has been said that it can be done by regulation, and they have already had that opportunity and it was the Department of Defense that requested that 1971 change. However, the problem came up just this spring concerning a number of teachers who were converted and given benefits, and who were given bills just this spring for $20,000 or $30,000 for back payments, saying they shouldn't have been given the benefits, please pay the money back.

Mr. WHITE. I would be pleased, and the committee will receive and put in the record any letters of this nature, the originals of which you can provide.

Mr. MCCLUSKEY. Mr. Chairman, the staff is aware of that problem and aware that the Department of the Army and Department of Defense is trying to make arrangements that these people not be charged.

Mr. COAKLEY. What it means, if we can find some legal way of doing just that. Up to today, we have not been able to find a legal way of waiving repayment. If we can, the Department of Defense is interested in not having that.

Mr. MEGEL. On Tuesday, you had one of our members, Judy Miran who did testify, on that point.

Mr. WHITE. Let's go to another matter.

You have, in your testimony recapitulated that what you are principally asking today is for travel allowances for those who are not hired in the United States, for housing allowances for those who are not hired in the United States, and for some kind of medical program to make up for the lack of medical care because of NTE. You want to go on the regular salary scale. Then you spoke about wanting to gear your salaries to the District of Columbia salary scale.

Let's talk about that. Isn't the District of Columbia salary scale one of the highest in the Nation?

Mr. MIGLIACCIO. It might be one of the better ones.

Mr. WHITE. I'm under the impression that it is one of the highest.

Mr. MEGEL. It is a long way from Chicago and New York.

Mr. WHITE. Yes, but what the Department has done has been to recruit teachers from all over the United States. They have taken an average of all these schools; isn't that fair?

Mr. MIGLIACCIO. Yes, but their goals are to provide the best school systems and the best school systems get paid more.

Mr. WHITE. I don't know that my taxpayers in Texas would feel that the people overseas should get a better school than they do.

Let's go further. I'm sure that the cost of living varies from place to place. There may be areas where there's rampant inflation that is

really eating up the salaries of these persons. I can't name the spots unless it would be Brazil or something like that. But unless it was an unusual situation where you had an unstable economy, I assume it would be appropriate for the Department to think in terms of cost-of-living adjustment. I don't know whether the regulations provide for that.

Mr. COAKLEY. Yes, sir, we're paying it to all teachers regardless of point of hire.

Mr. MIGLIACCIO. All teachers where they come in a city where there is a discrepancy.

Mr. COAKLEY. Yes, where it's applicable. Bahrain is an area where we have a very high cost-of-living allowance in that area.

Mr. MEGEL. May I answer your question as to why we propose this salary schedule?

In 1965 the beginning salaries for overseas teachers was $4,300, which was very, very low. Finally we came up with legislation—Congressman Udall was active on the committee at that time. We developed the idea that we take the 100 largest cities in the United States and take the average salary paid teachers in these cities as the salary for oversea teaching. The problem was that the oversea salaries were always 1 year behind, to correct this inequity a suit was instituted which was decided in favor of the overseas teachers. The teachers are getting that back pay as a result of that suit.

At the present time we are going to be faced with continuation of this matter. Beginning in September the teachers will not be put on their new salary schedule, but sometime in October, November, or December, whenever it will be figured out, an adjustment will be made, and back salaries paid.

In order to eliminate all these difficulties, we ask to be put on the Washington, D.C., salary schedule which is predetermined, and which is set. And it isn't altogether necessary that we put on the full salary now. There could be an increase in the salary the overseas teachers are getting and a limit could be placed on which steps they go on when placed on the Washington, D.C., salary.

When you are talking about a District of Columbia salary schedule that was amended in 1974, overseas teachers can still be getting an increase if placed somewhere on that schedule, and also have a predetermined salary schedule. That is what we had in mind.

Mr. WHITE. Counsel, do you have any questions?

Mr. MCCLUSKEY. What about strikes. District of Columbia teachers go on strike. How do we pay the overseas teachers?

Mr. MEGEL. That has nothing to do with overseas teachers.

Mr. MCCLUSKEY. If you want to base your salary on Washington, D.C., and Washington, D.C., goes on strike——

Mr. MEGEL. The money is not going to come from District of Columbia.

Mr. MCCLUSKEY. You have stated it is the Washington, D.C., schedule.

Mr. MIGLIACCIO. If there is a strike there is a strike our schedule would have to——

Mr. MCCLUSKEY. The teachers are getting ready to strike almost every year.

Mr. MIGLIACCIO. This year, they're a year late. To this date, we're not paid on the right scale.

Mr. McCLUSKEY. Mr. Chairman, could we allow Mr. Cardinale to speak at this point?

Mr. WHITE. Let's follow the regular schedule.

Do you gentlemen have anything further to add?

Mr. MIGLIACCIO. No; I have nothing.

Mr. MEGEL. I have nothing, either, thank you.

Mr. WHITE. Thank you for appearing today. I'm sure the committee will look with favor on certain features of the bill. I'm sure we're going to come up with something rational that the people of the United States will be interested in.

Our next witness is Lynne Holland, president, Overseas Education Association; accompanied by Ms. Trudy Terla, executive assistant for the Overseas Education Association.

STATEMENT OF LYNNE HOLLAND, PRESIDENT, OVERSEAS EDUCATION ASSOCIATION, NATIONAL EDUCATION ASSOCIATION, ACCOMPANIED BY TRUDY TERLA, EXECUTIVE ASSISTANT FOR THE OVERSEAS EDUCATION ASSOCIATION

Miss HOLLAND. Thank you, Mr. Chairman.

Mr. Chairman, members of the subcommittee, I'm Lynne Holland, president of the Overseas Education Association, a State affiliate of the National Education Association. OEA represents approximately 6,500 of the 7,500 teachers in overseas dependent schools around the globe, and will soon be certified by the Department of Labor as the sole bargaining agent at the national level for all teachers in overseas dependent schools. I myself am a former teacher, now a career education counselor, based in Germany, and I have been part of the overseas dependent school system for 10 years. With me today is Trudy Terla, executive assistant for the OEA working out of our national headquarters in Washington.

I appreciate this opportunity to appear before the subcommittee. OEA teachers often feel like the stepchildren of both the Department of Defense and the Nation's education system, and we are pleased to discuss some of our concerns with you here today.

I'd like to address several issues that were included in reports to Congress and are now under consideration.

We support the concept of equal pay for equal work. Teachers, or other employees, who perform the same duties under substantially equivalent conditions or circumstances should be equally remunerated.

But there is more to the concept of equal pay than just flat salary figures. Virtually all workers in all fields receive, in addition to actual wages, fringe benefits which provide or make available a broad range of additional services. These benefits, too, should be equitably available to all employees. But this is not so in the overseas dependent school system.

Many teachers in the overseas dependent schools are recruited stateside, placed under a transportation agreement, and assigned to a particular school or area for a defined period of time. These teachers are eligible for certain benefits because of where they were hired.

In addition to these stateside hires, each year a number of teachers are recruited locally from available dependents, tourists, or spouses of American citizens working for non-Government agencies. In 1972,

74-697 O - 76 - 4

a new type of classification—dependent hire—was issued and given priority for hire. Prior to March 1971, a locally hired teacher could be converted to a regular appointment and receive all benefits after the successful completion of either 150 days or of the entire school year depending upon the area in which he or she served. Consistency between the services did not exist in converting the locally hired employee from "not to exceed" to full status. After conversion, an additional eligibility requirement to receive such benefits as housing allowances was that the teacher had been either a tourist out of the United States for less than 6 months, a student in an institution of learning, or a member of the Armed Forces or another Federal agency.

A woman who had accompanied her husband either as a military dependent or in private employment was not eligible to receive these benefits on her own, even if her husband died or the family separated. Current policy has reversed this to provide exceptions for people in these situations, but we are not sure how long it will be before this policy is once again changed by administrative fiat.

In 1971, the rules were changed and all NTE's were forever denied the opportunity to receive the benefits that their fellow teachers received, even after conversion. This blatant act took place in March 1971, just short of the 150 days necessary, thus denying benefits to those who were hired with the expectation of receiving them upon conversion.

The following year conversions were also canceled by action of DOD just 2 days prior to the close of the school year. Immediate action on the part of the Overseas Education Association reversed this policy. But in the interim, teachers who were hired locally who had the benefits all along and who would have been able to maintain them found their allowances canceled because of a "break-in-service" of a few days as a result of DOD's ill-considered action.

DOD's justification for this action and all similar actions and abuses has been that such benefits as housing allowances, differentials, and transportation agreements were merely incentives to recruit stateside teachers for overseas assignments. The incentives are designed to attract a person with particular qualifications for the position and they extract from the person a commitment to the position and a flexibility to meet the needs of the system. The same minimum qualifications are required of locally recruited personnel and upon conversion the same commitments are extracted; indeed, they are a condition of conversion. It would logically follow then that the persons selected for career placement in the overseas dependents schools system are similar, and will peform the same services meeting all the same requirements of the position and, as such, all should be entitled to receive the same benefits which are presently denied to some.

We are concerned over H.R. 9139's apparent weakening of provisions for benefits other than housing: whereas current law Public Law 86–91, as amended, stipulates that housing shall be furnished for overseas hires, H.R. 9139 provides that they may be housed at U.S. Government expense. This watering down is potentially unfair, and we oppose it.

There is another problem in the benefit system for overseas teachers that we would like this subcommittee to address. The benefit system should be expanded to provide increases in allowances and perquisites

commensurate with longevity in the overseas schools. I personally know teachers who have been in the system since 1946 who are "frozen" at the benefit equivalency level of a GS–11. We recommend the subcommittee's consideration of the appended chart showing the comparability that we believe is necessary and the outline of some of the ridiculous situations that have occurred because of the disparity. This is particularly important since, as of July 1, 1976, all overseas teachers, no matter what area, will be placed in a single unit, and DOD will be able to—and probably will—establish one GS rating for all those teachers. We feel that a sliding scale for longevity is merited and should be mandated by the Congress.

I referred earlier to equal pay for comparable duties in comparable circumstances of employment. This means that we support a uniformity of salary scales and of pay for extracurricular activities for every teacher within the overseas dependent school system.

But in no way can I imagine that overseas teachers serve in capacities comparable to teachers in the District of Columbia. We oppose any measure which would tie us in to schedules for the District of Columbia teachers as is proposed in H.R. 9139. Our duties, circumstances, and problems are quite different from, not similar to, those of the District of Columbia teachers, and we would not be desirous of being put together. Such a mixture would merely compound the extreme difficulties faced by both school systems, to neither's advantage.

Such a "strange bedfellows" arrangement could wreak real havoc for salary purposes. The District of Columbia teachers are all members of a single bargaining unit and are located within a geographically finite area. OEA teachers, too, are in a single bargaining unit—but we are spread around the world. The District of Columbia teachers and overseas teachers, as public employees, do not have a legal right to strike. But we all know that this legal prohibition is increasingly ignored.

Consider the situation. The District of Columbia teachers go on strike for an extended period of time. They have no salary scale, no paychecks during this period.

But until the District of Columbia teachers settle their dispute, the overseas teachers are also without a salary scale and paychecks because they are tied in to agreements or disagreements between a school administration for whom they do not work and a bargaining unit of which they are not members and over which they have no control. This situation is patently unfair, and any measure which would bring it about should be rejected out of hand.

Needless to say, overseas teachers were delighted—and vindicated—when the District of Columbia Court ruled that the Department of Defense had acted illegally in computing our salary scales and ordered backpay for all those overseas teachers who had been inadequately compensated for so many years. The court's judgment made it clear that salary schedules were to be computed on current year figures for the stateside school districts of 100,000 or more census population—in other words, computed as directed by law.

So you can imagine our [illegible] discover that proposals are being offered in H.R. 13808 which would rewrite existing law and take us back to the prejudgment era. This is retrogressive, exploitative, and

absurd. We deplore this provision, and hope that the subcommittee will not tamper with existing law respecting time-frame basis of pay scales.

We are pleased to note that at last, in H.R. 13808, the Congress is considering compensation for additional academic work over and above degrees. We hope that the salary classes providing incentives for advanced course work will be approved by the Congress.

We would like to see the policy of "local hires last" codified into law as proposed in H.R. 13808. The local hire is the dependent or tourist who is not recruited stateside but rather hired overseas by the overseas school which has a teaching vacancy. The local hire is not under a transportation agreement, as is the stateside recruit, and there are no enforceable penalties on the local hire who, for whatever reason, does not complete the academic year.

Although we realize that there are occasional situations that demand or lend themselves to the employment of local hires, we are convinced that it is in the best interests of the continuity of the school systems to avoid this practice as much as possible. The problem with local hires is not in their qualifications to teach—which we do not generally question—but in the fact that the vast majority of local hires are dependents of uniformed personnel who may be and are transferred on short notice at any time during the year. Thus the dependent spouse, usually the wife, who is teaching a class goes with her husband, leaving a teaching vacancy in midyear. This would not happen if stateside recruits were hired under a transportation agreement to fill a particular slot for a school year.

The subcommittee might be interested in a macabre statistic which illustrates the potential problem with local hires and substantiates our belief that local hires should be an emergency measure only. As best we know, in one school year, one class in one elementary school had a succession of 13 different teachers. Continuity of the teaching and learning process has to be an awful joke in such a situation.

We request favorable consideration of the provision in H.R. 13808 which would establish a system for the granting of sabbatical leave of at least one-half pay to overseas teachers. We need this professional rejuvenation as much as our stateside counterparts do as we continue to provide quality education to dependent students.

While the subcommittee is considering leave provisions, we request that you take a look at expanding our eligibility for teacher leave. At present, we earn 10 days per year—7 sick days and 3 days of all-purpose leave. Our accumulation limit is 75 days. Regular civil service employees, on the other hand, earn 13 days of sick leave per year with unlimited accumulation. We believe that our sick leave benefits should be at least the same as those of civil service employees.

The Department of Defense is considering a move to devalue the medical services available to overseas teachers, many of whom serve in areas where no other medical care is available. We pay, as individuals, full costs for hospitalization, presently in excess of $160 per day for room/ward and food.

At present, we pay $1 per outpatient visit no matter what the complaint, ailment, or treatment. I recognize that this fee is amazingly low. However, DOD is moving to raise the cost per visit to $19. This fee would be required for all treatments—including some immuniza-

tions which are required for as a condition of employment and which the stateside teacher would never need, such as cholera. Surely DOD can develop a more realistic sliding scale for outpatient medical services.

It is my hope that the Congress will assist us in effecting much-needed changes in areas we have discussed here and in attaining other goals that we may not be able to achieve on our own through collective bargaining.

Mr. WHITE. Thank you very much. You certainly did include a great many matters. There are some which I agree with and some which I don't, all of which we will consider before the committee.

Travel allowance; I presume what you are speaking about is not a lump sum given to everyone at the termination of their contract, but the actual expenses to the point of their home. In other words, where they would bill the U.S. Government for their cost of travel and get reimbursement.

Miss HOLLAND. We are presently taken back to our points of hire every second year or every year depending on your assignment.

Mr. WHITE. Are you given a lump sum, or are you billing the Government?

Miss HOLLAND. No; the teachers are given travel orders to go by military aircraft or, for instance, in Brussels you are given a ticket to get on a Pan American flight.

Mr. WHITE. So, you are given the actual voucher for the trip?

Miss HOLLAND. Yes.

Mr. WHITE. And you are requesting that that be extended to those hired overseas as well?

Miss HOLLAND. Yes.

Mr. WHITE. But you are saying they should hire less overseas, because there is less continuity in it?

Miss HOLLAND. That's correct.

Mr. WHITE. As to this question of sabbatical leave, do other school systems in the United States grant sabbatical leave?

Miss HOLLAND. It is common practice. We believe we can submit figures that would show over 50 percent.

Mr. WHITE. I'm not familiar with that. We would like to have the record which you are speaking of, and it would be placed in the record at this point.

Miss HOLLAND. The OEA will provide that.

[The following information was furnished:]

SABBATICAL LEAVE FOR TEACHERS

In State Statutes

TWENTY-FOUR STATES and the District of Columbia have some form of statutory provision for sabbatical leaves for teachers. This is not to say that school districts in other states do not grant sabbatical leaves, but merely that no statutory authority for the leave exists. Table 1 lists the states that have statutes and gives some of the provisions of these statutes.

The specificity of the statutes varies considerably from state to state. Four states, Missouri, Nebraska, Nevada, and Washington, recognize sabbatical leave and permit the individual boards of education to formulate the rules and regulations governing such leaves. Most of the other states permit the local boards to grant leaves in their discretion, but the statutes in Alaska, Louisiana, and Pennsylvania make it clear that the teacher is entitled to sabbatical leave. States that specifically set out the requirements and conditions for sabbatical leave most often demand six to seven years' teaching experience prior to application for leave. This generally means continuous experience with the current school district; however, the Pennsylvania statute permits 5 of the required 10 years' experience to be elsewhere. The purposes most often found as permissible for sabbatical leave, as indicated in the table, are professional improvement and study or travel, although a few states permit the leave to be used for recovery of health. Table 1 also shows the maximum length of the leave and the rate of salary the teacher receives where such provisions are in the statute.

State statutes often delineate the conditions under which the teacher returns to the classroom at the conclusion of the sabbatical leave. Those states that mention the return of the teacher usually specify that the return be to the position left or to an equivalent position. Only Pennsylvania specifies that the teacher will return to the same position in the same school. Additionally, a number of the state statutes mention that the teacher retains all rights while on leave, including tenure, right to an increment, and retirement benefits. Ten of the states statutorily require the teacher to return to the school district; six state statutes require teachers who do not return to refund the salary they were paid during the leave period. The Arizona statute also provides that if repayment is not made, the board shall direct the county attorney to bring suit against the teacher. Court cases that result from alleged violation of sabbatical leave provisions and agreements most of-

1—STATUTORY PROVISIONS FOR SABBATICAL LEAVE FOR TEACHERS

State	Years' experience required to be eligible for leave	Permissible purposes of leave	Maximum length of leave in years	Amount of pay while on leave	Conditions of return to school district
Alaska	7	Education	1	½	Must return for one year or refund salary; return is to position left
Arizona	7	Professional education	1	½	Must return for one year or refund salary
California	7	Study or travel	1	½	As agreed by the board and the teacher
Delaware	5	Professional improvement or recovery of health	1	...	Must return for one year; return is to the position left or a similar one
District of Columbia	6	Professional improvement	1	½	...
Florida	3	Professional improvement	1	Partial pay	...
Hawaii	7	One-half of leave time must be devoted to professional education or research	1	½	Must return for two years or refund salary; return is to the position left
Illinois	6	Study, research, travel or other approved purpose	1	Full pay minus substitute cost, but not less than state minimum or ½ regular pay	Must return for one year; failure to do so is cause for removal from teaching service; return is to an equivalent position
Indiana	Tenure teachers	Study or professional improvement	1	...	...
Kentucky	...	Educational or professional purposes	2	...	...
Louisiana	6 for 1 year 3 for ½ year	Professional or cultural improvement, or rest and relaxation	1 or ½	Full pay minus substitute cost	Return is to position left
Maine	7	Study or travel	1	½	...
Massachusetts	...	Study or research	1	Full or partial pay	Must return for twice the length of the leave or refund salary

1–STATUTORY PROVISIONS FOR SABBATICAL LEAVE FOR TEACHERS (Continued)

State	Years' experience required to be eligible for leave	Permissible purposes of leave	Maximum length of leave in years	Amount of pay while on leave	Conditions of return to school district
Michigan	7	Professional improvement	1	...	Return is to same or like position
Minnesota	...	Professional improvement	1	...	Must return for time set by board or refund salary
Mississippi	...	Special study or training	...	Full or partial pay	...
Missouri*	...	...	...	...	...
Nebraska*	...	...	...	...	...
Nevada*	...	...	...	...	...
New Mexico	6	Study or travel	1	½	Must return for two years or refund salary; return is to an equivalent or better position
Ohio	5	Professional growth	1	Partial pay, but not more than full minus substitute cost	May be required to return for one year
Pennsylvania	10	Health, study, or travel	1	½	Must return for one year; return is to the same position in the same school
Tennessee	Tenure teachers	Educational improvement or health	...	...	...
Texas	5	Study, research, travel or other suitable purpose	1 at ½ pay ½ at full pay	...	...
Washington*	...	...	...	...	...

*Local boards of education may provide rules and regulations governing the granting of sabbatical leaves. In Nebraska the statute applies only to Lincoln and Omaha.

ten involve repayment. In fact, suit could be brought against any teacher who received salary while on sabbatical leave and failed to return to the school district if required to do so by state statute or agreement with the school board. In the past two years teachers in Maryland and New York have been sued for failure to refund the salary received.

Other statutory provisions regarding the return of the teacher after sabbatical leave include the New Mexico provision authorizing the withholding of salary due until after re-employment commences. Also, Illinois, rather than requiring refund of salary paid, provides that failure to return to the school district is cause for removal from the teaching service. The Hawaii statute provides that if the teacher fails to either return or refund the salary, his teaching certificate shall be cancelled.

Litigation concerning sabbatical leave has arisen recently in New York. Although the state does not have a statute pertaining to sabbatical leave, many school districts in the state have negotiated provisions for such leaves. In 1971, the state legislature declared a moratorium on sabbatical leaves unless a contractual right existed before April 13, 1971. A number of court cases have resulted from the interpretation of "contractual right." If all the procedural steps necessary for the application and approval of the leave were accomplished before the effective date of the legislation, the state courts have upheld the teachers' right to the leave. If any step was left undone, the leave may not be granted.

SABBATICAL LEAVE FOR TEACHERS

As an Item of Negotiation

SIX comprehensive agreements in 10 effective in 1970-71 in school systems with enrollments of 1,000 or more contained sabbatical leave provisions. Sabbatical leave is a leave of absence with full or partial pay for one semester or more for the purpose of improving the professional skills of teachers, administrators, or other personnel of the school system. This analysis covers only those sabbatical leave policies embodied in collective bargaining agreements and does not reflect the incidence of sabbatical leave policies existing in other ways.

1—NUMBER AND PERCENT OF SABBATICAL LEAVE PROVISIONS IN NEGOTIATION AGREEMENTS, 1966-67 TO 1970-71

School year	Number of comprehensive agreements	Agreements with sabbatical leave provisions	
		Number	Percent
1966-67	389	126	32.4
1967-68	586	244	41.6
1968-69	978	563	57.6
1970-71	1,529	920	60.2

As shown in Table 1, the number of comprehensive agreements negotiated and the number of agree-

ments containing sabbatical leave provisions have steadily increased from 1966-67 to 1970-71. In 1966-67 less than 1 out of every 3 agreements provided for sabbatical leave. However, by 1970-71, 3 out of every 5 agreements contained sabbatical leave provisions.

2—NUMBER AND PERCENT OF SABBATICAL LEAVE PROVISIONS BY METHOD OF PAYMENT, 1970-71

Item	Number	Percent
FULL PAY		
1 semester	10	1.1
2 semesters or more	55	6.0
Duration of leave not specified	16	1.7
PART PAY		
1 semester	11	1.2
2 semesters or more	551	59.9
Duration of leave not specified	56	6.1
Full pay for 1 semester/or part pay for 2 semesters	221	24.0
Total	920	100.0

All 920 of the sabbatical leave provisions found in the 1,529 agreements were analyzed for rate of pay and length of leave (Table 2). In general, sabbatical leave provisions specified that the teacher would receive full pay for a certain number of semesters, partial pay for a certain number of semesters, or either full or partial pay depending on the length of leave. In some cases, the length of leave was not specified.

The majority of the provisions, 59.9 percent, stipulated that teachers on sabbatical leave would receive partial pay for two or more semesters, while 24.0 percent provided for full pay for one semester or partial pay for two semesters, 8.8 percent provided for full pay, and 7.3 percent provided for partial pay for either one or an unspecified number of semesters.

An example of a sabbatical leave provision is the following:

SABBATICAL FELLOWSHIPS

15.1 Sabbatical fellowships are granted in the discretion of the Board and are designed to encourage the improvement of instruction, supervision and administration in the North Haven school system.

15.2 Teachers may apply for a fellowship upon completion of six years service in North Haven. After having received a fellowship, a teacher may apply for a second fellowship only after six additional years in North Haven. A teacher must present a detailed proposal for study or research for approval by the Board upon recommendation of the Superintendent. This proposal must be submitted to the Superintendent before *January 15* of the school year preceding the Fellowship year.

15.3 The fellowships will be available only for full-time study or research programs which offer potential benefit both to the individuals and to the school system. Proposed study must be beyond an earned master's degree. Travel will not be approved except when incidental to a study program. A group of teachers may apply for a Sabbatical Fellowship to be considered as a single unit. Not more than two sabbatical fellowships will be available in any one year. Ordinarily, fellowships will cover a full school year; in special cases fellowships covering a half school year or a half school year plus one summer may be approved, provided that adequate arrangements can be made to cover a teacher's responsibilities during a partial years absence.

15.4 For a full year sabbatical the teacher will receive either one-half of the annual salary he would receive in his North Haven position; or the salary at the beginning step of the teacher's salary schedule for which he qualifies, whichever is greater; however, if the sum of the North

Haven grant plus other scholarships or grants which the teacher may receive exceeds the total of his North Haven annual salary, the North Haven Fellowship grant will be reduced by the amount exceeding his annual salary.

15.5 For a half school year or a half school year plus one summer sabbatical, the teacher will receive the full salary he would receive in his North Haven position for that period. The North Haven Fellowship grant will be reduced by the amount of any other grants or scholarships which the teacher may receive.

15.6 During the sabbatical, the teacher will receive such other medical and life insurance benefits as are offered to all teachers in active service, (Major Medical, Blue Cross, CMS, etc.), if such plans permit.

15.7 The teacher will receive credit on the salary schedule for the sabbatical leave.

15.8 The teacher is expected to return to the North Haven school system for a minimum of two years following the Fellowship year. If he terminates his employment before the end of this two-year period, he must repay on a prorated basis within a five-year period the amount of the Fellowship grant. (North Haven, Connecticut.)

Mr. WHITE. Are there questions, counsel?

Mr. MCCLUSKEY. No questions.

Mr. WHITE. Is there anything further you would like to add at this time?

Miss HOLLAND. One thing, Mr. Chairman. I would like to, with your permission, there were a number of typographical errors that appeared in this particular copy. The copy which I have just read is the correct one, and I would like to enter that as the record rather than the one I previously submitted.

Mr. WHITE. Then I would request that you furnish counsel with one copy and the reporter with one copy so he may use that.

Miss HOLLAND. Thank you.

Mr. WHITE. I want to pursue this question about the sabbatical leave, if I may.

Do you have any kind of records to show how many teachers, overseas, have continued in the system for a number of years? Do you have any kind of listing as to the longevity of their contracts and their tenure?

Miss HOLLAND. No, sir. I would imagine that the Department of Defense could provide that.

Mr. WHITE. Let me ask you, from your knowledge, how many teachers remained in the service, teaching overseas in the part 4 years?

Miss HOLLAND. It's become quite a stable system. We have been given a rather bad image, I'm afraid, from time to time, of people who are overseas and travel around and see the world, which I do not feel is correct in any way. We have very few turnovers of personnel. I believe this year we had something like—how many transfers or resignations?

Ms. TERLA. Resignations, I don't know.

Miss HOLLAND. Perhaps a hundred. Dr. Cardinale could tell you.

Mr. WHITE. Now, these teachers go into a retirement system, as I understand it, and this system is the regular Federal retirement system?

Miss HOLLAND. Yes.

Mr. WHITE. So, they contribute 7½ percent into the system?

Miss HOLLAND. Yes.

Mr. WHITE. And you are suggesting that after a period of how many years they have sabbatical?

Miss HOLLAND. They would complete 6 years. In their sixth year, they could apply for sabbatical for their seventh.

Mr. WHITE. In their seventh year?

Miss HOLLAND. Yes.

Mr. WHITE. I can't think of any other civil service employees that have that advantage.

Miss HOLLAND. That may be true, but it's quite an acceptable program for the stateside schools.

Mr. WHITE. When they're in the State systems are they paid for that year?

Miss HOLLAND. Yes, anywhere from one-half to three-quarters to 1 year.

Mr. WHITE. Are they assigned with some school of learning during that time?

Miss HOLLAND. Normally, they would submit a plan to the school for travel or study or both, to be turned in at the end of their sabbatical.

Mr. WHITE. I'm not aware that my State has that.

Miss HOLLAND. I'm not sure it is by States, but by school systems.

Mr. WHITE. Does San Francisco have that system?

Miss HOLLAND. I would not be able to tell you that. I can find out.

Mr. WHITE. During that time, you would suggest the retirement would continue, the Government would continue to take out the 7 percent so that that year of sabbatical could be used for retirement?

Miss HOLLAND. They are in a leave-without-pay status at this time. So, you could have 6 months in 1 calendar year and 6 months in another calendar year. I assume that a leave with pay status would give them that advantage.

Mr. WHITE. They are presently allowed after the 6 years to take a 1-year leave without pay?

Miss HOLLAND. No, I misled you. You are now able in some instances to take a year's leave without pay.

Mr. WHITE. Under what circumstances?

Miss HOLLAND. Certain people may want to come back to the States because they have a condition within their family, for instance, that requires their being at home. So they ask to go back to the States for that year, and can be granted that leave.

Mr. WHITE. Under your idea, could they use that sabbatical for that purpose?

Miss HOLLAND. No, a sabbatical, by the nature of the program, does require some sort of educational plan of travel or educational plan of study.

Mr. WHITE. So, the Government would have to recruit one-seventh more of their work force in order to cover the loss of those teachers that are on sabbatical?

Miss HOLLAND. No, I would suggest that it would be set up in some sort of a priority basis so that, perhaps—I can't really speak for the percentages that are allowed in schools stateside, but I would imagine it would be 5 percent or less of the total work force that would be allowed to be on sabbatical at any given time.

Mr. WHITE. Then, you would be discriminating against somebody, and we would have another group up here complaining.

Miss HOLLAND. I'm not sure of that, because in transfer from one country to another you have a point system. You earn points by being in a hardship area, longevity, degrees that you hold, et cetera. A person may have any number of points from 1 to 2 up to 30 in applying for said transfer from one area to the other. I think we could have the same sort of system to cover a sabbatical program.

Mr. WHITE. Are teachers who return to the United States on an unemployed basis for various reasons paid unemployment benefits?

Miss HOLLAND. That would depend on the State you reside in.

Mr. WHITE. You would receive unemployment compensation?

Miss HOLLAND. If the State allows it, yes.

Mr. WHITE. Thank you very much, Miss Holland; and thank you, Ms. Terla. Thank you for coming before us.

Why don't Mr. Coakley and Mr. Cardinale come up. There are a few questions the counsel wanted to have asked for the record so we would have a more full record.

STATEMENT OF ANTHONY CARDINALE, ACCOMPANIED BY WILLIAM F. COAKLEY

Mr. WHITE. There has been an allegation, and it's probably correct, that there is a lag of approximately 1 year on the pay scale of teachers even though you average out the entire country with 206 school systems.

Mr. COAKLEY. 206 school systems.

Mr. WHITE. Would you elaborate on that?

Dr. CARDINALE. The provisions of Public Law 86–91 and Public Law 89–391 both say we must, in setting our salaries, use the average of the range of rates of school systems with a 100,000 population, not students but population.

Based on the 1970 census, there are 205 systems. Data are collected on the salary schedules of all their ranges and all the practices that are going on salarywise in those 205 systems. We take those and use the arithmetic average of those systems.

In June, June 25th as I recall, Judge Green of the District of Columbia District Court passed a judgment based upon the previous decision that we were not paying according to the law because we were always using the data of these 205 systems, the data of the previous school year to compute salaries for this current year.

That judgment came down in June of last year. We were not aware of this pending judgment. Therefore, funds were not put in our fiscal year 1976 budget. Based on that court judgment, I went to my comptroller and in turn to the Congress and submitted a supplemental for $17 million to make the salary current with the intent of the law and the judgment that the judge said we had been violating.

So as of the first of June, this year, the President signed the Supplemental Appropriation Act; we received our $17 million; and we have directed the services overseas and civilian personnel officers to start paying the teachers on the new salary schedule.

Mr. WHITE. Your 1977 budget does not include up to date?

Dr. CARDINALE. Our program for fiscal years 1976 and 1977 has money for the current salary asked, but the previous testimony was correct, that based upon the data that we have been collecting both from the National Education Association and the Overseas Federation of Teachers, we have put this information together and used it for computing the salary schedule.

Mr. WHITE. Do you see any great problems in extending medical advantages or similar medical advantages to NTE's hired overseas as those hired in the States?

Mr. COAKLEY. If we can extend these benefits to them on a paying basis, the same as for all other Federal employees, I have no personal objection to that.

Mr. WHITE. Do you, Dr. Cardinale?

Dr. CARDINALE. No, sir.

Mr. WHITE. They are able to buy some kind of insurance, now, aren't they?

Mr. COAKLEY. Yes; they can get insurance through some other underwriter.

Mr. WHITE. But not the Government?

Mr. COAKLEY. No.

Mr. WHITE. Do you know any provision in the law for this?

Mr. COAKLEY. Civil service regulations require that they cannot be provided to temporary employees. That's why a teacher, being a temporary employee, is not eligible to participate in the civil service retirement program and the Federal health benefit program.

Mr. WHITE. So, this would have to be legislated?

Mr. COAKLEY. I'm not sure, but civil service regulations do limit these benefits to career employees.

Mr. WHITE. What about the travel allowance? You want hired overseas back to point of home of record, as it were, after the completion of their year? Do you have any objection to that? Do you see any difficulties, advantages in that?

Mr. COAKLEY. The reason for that and for the living quarters allowance is that the intention of both are as incentives for attracting the people overseas. Since we did not pay the transportation of the person overseas, we see no need for the Government to pay it back to the United States.

Mr. WHITE. Other than they have performed a service for the United States, and they have given up a year of their lives when they could have been traveling overseas or going back and making a lot of money in the States? So, if you get away from this incentive thing?

Mr. COAKLEY. I have no problem, not if we can get away from what we feel is the intent of the legislation.

Mr. WHITE. You would have no qualms about that?

Mr. COAKLEY. I would have no personal qualms.

Mr. WHITE. And the housing allowance? Since they're there and have to live someplace, they get none?

Mr. COAKLEY. No, sir.

Mr. WHITE. And if we changed the laws, you have no objection to that?

Mr. COAKLEY. If you change the law.

Mr. WHITE. Do you want to comment on the Bahrain story?

Mr. COAKLEY. I think it would be wise to clear that up today. I'll tell you what happened.

A change took place in the regulations by which transportation agreements are granted. I believe the change was made in 1972. For some reason, the change was either not received or was misinterpreted by some offices. They failed to apply the new laws and some people were given transportation agreements in error.

This came to the attention of the Department of the Army just recently, and a decision was made that there was no legal basis to continue these people under the erroneously granted agreements. In fact, if they had used the agreement to travel on, they would have to pay the money back to the Government. So, that's the basic problem.

Now, some of those teachers who were erroneously given agreements subsequently transferred to Bahrain. When they transferred to Bahrain, they became eligible for a transportation agreement.

When this matter was brought to our attention, we found that most of those people, if not all of them had been relocated from Germany and were, in fact, eligible for a transportation agreement which provided for their transportation back to the United States. We so

advised the people. I think that was Friday, a week ago; and the situation in Bahrain has been corrected. We also found some teachers who had transferred from Germany to Italy and they would also be eligible for an agreement.

Mr. WHITE. Now, these allowances and benefits are permitted by law, but they have been restricted by regulations?

Mr. COAKLEY. Yes, sir.

Mr. WHITE. You're not going to have any trouble with adjusting on these people?

Mr. COAKLEY. I'm not going to have any trouble with the employees who moved from Germany to some other location. They have a valid agreement. I may have a problem with a teacher who was hired in Karlsruhe and remained in Karlsruhe and, under an erroneous transportation agreement, traveled back to the United States.

Mr. WHITE. I think the committee would like to be apprised of how this develops, and given a report on this.

Mr. COAKLEY. We may have to ask for legislation on this specific thing, and it would be through your subcommittee.

Mr. WHITE. The testimony was in 1971, there was a change in the regulations as far as hiring persons for permanent status.

Now, can you tell us any problem in the event that the regulation was restored that would allow temporaries to be hired on a permanent basis as they were prior to 1971?

Mr. COAKLEY. 1971. The change made then did not change the personnel from being hired on a temporary basis to personnel hired on a permanent basis. Those hired outside the United States, locally, have always been hired as NTE's. The change in policy that occurred in 1971 had something to do with the living quarters allowance. Local hires were eligible for living quarters prior to that time. An NTE can be converted to a career teacher.

Mr. WHITE. Can be?

Mr. COAKLEY. Yes, sir.

Mr. WHITE. And they are?

Mr. COAKLEY. Yes, sir, in many cases. If we have the flexibility when school begins in the fall and they are picked for the second year, they can be converted to regular career teachers with all the rights and benefits except no transportation agreement and no housing allowance.

Mr. WHITE. Why not that, too?

Mr. COAKLEY. Because right now, under the State Department regulations, local hires cannot be given these benefits.

Mr. WHITE. We may have to change the legislation. Right now it is subject to the whim of the State Department.

Mr. COAKLEY. There are other agencies involved. OMB is involved.

Mr. WHITE. You heard my request of Miss Holland, who did not have those figures as to the career status and teachers overseas, as to how many have been with the service a certain number of years, for a long time.

Dr. CARDINALE. I can provide that for you.

Mr. WHITE. If you can provide that, we will put it in the record of these hearings.

[The following tabulation was furnished:]

DEPARTMENT OF DEFENSE—OVERSEAS DEPENDENTS SCHOOLS

[Number of years of service for those teachers who resigned in 1974–75 school year]

Years	European region	Atlantic region	Pacific region	Total
1	291	16	224	531
2	233	11	92	336
3	177	9	46	226
4	58	6	17	81
5	54	3	17	74
6	51	4	15	70
7	21	1	9	31
8	14	2	5	21
9	10	1	4	15
10	8	3	6	17
10 plus	21	7	9	37
Total	938	63	438	1,439

Mr. WHITE. Now, let's talk about this sabbatical idea of Miss Holland and her organization.

In your studies of secondary and elementary school systems, do you find it a prevalent practice?

Dr. CARDINALE. In university work, it is almost a part of their work. Within the last 5 or 6 years, a great many school systems, on their own, have been setting up sabbatical leave programs for their personnel.

The reason I can speak on this, I'm looking into the very same situation hoping to have a legislative package that would do the same thing for our overseas teachers.

A school system will grant a sabbatical leave to a teacher. This has been started at the secondary level. In many systems, sabbatical leave has worked down into the elementary schools as well.

After a period of 5, 6, or 7 years, the teacher prepares a proposal about what she wants to do to further prepare herself. It may be a degree. It may be structured travel. It may be conducting seminars throughout the country. But it's some type of professional work submitted to the school board. If approved by the board, the teacher will receive this sabbatical for the school year.

Mr. WHITE. So, this would not be an automatic guarantee that anyone would receive a sabbatical?

Dr. CARDINALE. No; the individual would have to make a request to the school board as to what he or she is going to do. In their judgment, if it would benefit the school system and that individual, certainly, it would be one area for considering approval.

However, the school systems do not automatically approve them. They approve some. Disapprove others.

Mr. WHITE. Are there any university systems in your jurisdiction?

Dr. CARDINALE. No; kindergarten through the 12th grade.

Mr. WHITE. Now, you heard the suggestion that the salaries overseas be adjusted to the scale of the District of Columbia teachers salaries. Do you have a comment on that?

Dr. CARDINALE. Well, sir, the way we have been computing the salaries is set in law.

I have been thinking, and I'm about ready to enter some contract negotiations with some private research firms to gather the data from these school systems, the 206 school systems. It will be current data

and something we can use immediately for establishing the salary schedule for the next school year, therefore, avoiding this system of having to start the year under the old salary level and making an adjustment in the midyear because of the lateness of the data coming in.

Mr. WHITE. How do you compare taking an average of certain school systems in the country on a certain formula as compared to a District of Columbia scale?

Mr. COAKLEY. You mentioned it before. The District of Columbia is one of the highest in the country. And naturally their salary schedule has to be related to the cost of living in this area. Some of our teachers are recruited in the Washington, D.C., area but the bulk come from throughtout the United States. We base our salary schedule on data that comes from throughout the country.

Mr. WHITE. Do you have any further contributions you wish to make at this time?

Dr. CARDINALE. No.

Mr. WHITE. Mr. Counsel, do you have any questions?

Mr. MCCLUSKEY. No.

Mr. WHITE. There being no further testimony, this hearing is adjourned.

[Whereupon, at 11:00 a.m., the hearing was adjourned.]

[The statements and letters which follow were received for inclusion in the record:]

STATEMENT OF HON. CHARLES H. WILSON, A MEMBER OF CONGRESS FROM THE STATE OF CALIFORNIA

Mr. Chairman and members of the Subcommittee, I would like to express my appreciation to you and to the Retirement and Employee Benefits staff for arranging these oversight hearings on the issue of recruitment and employment policies for locally-hired teachers in the Department of Defense's overseas dependents' schools. It was my privilege to introduce a bill, H.R. 9139, to prohibit discrimination against these locally-recruited employees in the granting of overseas differentials, allowances, and to revise the method of establishing their compensation.

H.R. 9139 was introduced after I was presented evidence that a very small group of non-dependent U.S. citizens, working side by side in identical jobs with State-side recruited personnel, received widely disparate benefits in transportation, housing, medical and retirement programs, and, most importantly, employment security. This situation, promulgated by State Department regulation in 1971, has undermined the morale of these Federal employees and has allowed the Defense Department to disregard their experience, dedication and professional abilities in a false effort at cost-saving. Not-to-Exceed-100-Day employees, NTE's, represent a majority of teachers in our DOD elementary and secondary schools around the world, and all but 150 to 200 of these temporary-hires are entitled to benefits as dependents of military, State or other U.S. personnel. In quibbling over the issue of whether these allowances and differentials are actually "incentives" to attract teachers within the United States to leave their positions and hire on with the overseas program or rather part of an overall job "package" necessary to survive in the inflationary environment of foreign countries, Defense has allowed merit to be overweighed by financial expediency.

This discriminatory practice should and must be discontinued. Although I realize that the problem could be remedied by a countermanding departmental regulation or executive order, it seems unlikely that DOD will alter the status quo without a legislative impetus. In any event, regulations can come and go at the discretion of supervisors, budget-cutters and Administrations, and I am pursuaded that all Federal employees, including this small group, should be accorded fair and equitable treatment under law.

Mr. Chairman, you have heard testimony from two witnesses who were dismissed from their teaching positions with a mere seven-day notification because they were "local hire" and a space was needed for a transferring permanent employee. No interest was evinced about the financial jeopardy these NTE's were placed in, nor the performance record he or she had accrued, nor the disruptive effect such action had on the classroom itself. For, basically, it is the children of our overseas citizens and the quality of education they receive which is at issue. And I cannot believe that continual changes in instructors and teaching methodologies would advance the learning process for any student.

Furthermore, there is a reverse discrimination factor which must be explored. The Deputy Assistant Secretary of Defense for Civilian Personnel Policy, Carl W. Clewlow, had already testified before this Subcommittee that there are ten to twenty applicants rejected for every overseas teaching position which is filled. Thus, qualified teachers who are available here in the United States cannot secure this valuable learning and teaching experience while DOD prefers to hire Americans who are already in Europe or Japan or wherever, regardless of their dependency status. My bill would correct such inequities by authorizing allowances to all employees, recruited outside the U.S., not later than the 90th workday of satisfactory service. In this way we could eliminate the NTE category for all but the emergency purpose it was established to fulfill and provide protection to all parties concerned, eliminating discrimination both at home and abroad.

Again, I would like to thank the Subcommittee and its Chairman for taking the time to examine the complaints of this small but significant group of people. And I would hope that we could bring out legislation, such as H.R. 9139, which would stabilize and equalize an unfair employment system within the Federal jurisdiction.

STATEMENT OF HON. PATSY T. MINK, A MEMBER OF CONGRESS FROM THE STATE OF HAWAII

Honorable Chairman White and distinguished members of the Subcommittee on Retirement and Employee Benefits, I appreciate the opportunity to once again add my support to much needed legislation introduced by the Honorable Charles H. Wilson, which calls for the prohibition of discriminatory practices against locally hired overseas teachers in the granting overseas differentials and allowances as well as the equalization of compensation of overseas teachers in accordance with the District of Columbia Teachers' Salary Act of 1965.

The primary goal of this bill is to end discriminatory practices against teachers enrolled in our overseas dependent schools. The purpose of overseas differentials and allowances is to compensate U.S. Government employees for additional expenses necessarily incurred because of their overseas service.

Just recently I heard from a gentlemen who is employed as a teacher/counselor with the DOD USDESEA Schools in England. He stated that he is married with one daughter and a wife who is not employed. Yet, he was obliged to live on the British economy since he was not eligible for on-base housing. Because he was a local hire, he was also ineligible for any sort of overseas differential or allowances which are ordinarily afforded personnel hired in the continental United States. The perquisites he refers to includes housing expenses, travel for reemployment leave and the shipment of household goods to and from the point of hire (in the continental U.S.).

Here is a fully qualified professional serving in equal capacity with his colleagues as far as work requirements are concerned but without the full employment privileges entitled to his co-workers. Yet the standards and cost of living they must live by in the locale are identical to all teachers in the area.

By way of background, we are discussing a school system whose main function is to teach the children of military personnel and other Federal employees stationed in foreign areas. Dependent schools were started after World War II, primarily as an effort by each individual military service as the need arose. Each military department continued operating its own schools until 1964 at, which time the "geographical manager" concept was initiated by the Office of the Secretary of Defense. In 1968 the concept was strengthened. Currently the Army has responsibility for the European School area; the Navy for the Atlantic area; and the Air Force for the Pacific area.

In truth, this school system is the largest in the world, in terms of geographic size . . . or any other measure. The fact that it is operated by the Federal govern-

ment gives us a special responsibility to assure that these schools are the best we can possibly establish.

Under the terms of the 1968 Pentagon directive, the Assistant Secretary of Defense for Manpower and Reserve Affairs has the responsibility of establishing the policies for the organization, operation, administration, and logistic support of the overseas school system. It was envisioned that under the single management concept there would be one school system and one set policy for administration of the system.

Unfortunately things have not worked out as hoped and we are faced with inequities which must be corrected. We will continue to have the spouse of American citizens working in foreign areas, military dependents and other world travelers who at one time or another will seek employment in our overseas school system; and we will continue to discriminate against these local hires unless the laws are changed to resolve the disparities which now exist.

The teacher hired overseas is given a limited term assignment, usually for one school year. At any time during this period, she can be fired without cause on a 7-day notice. The practice has usually been that the teacher in this situation is terminated on the last day of the school year. If she is rehired and completes 150 days of satisfactory teaching, she then becomes eligible for permanent status. However, she still remain ineligible for housing, transportation, and other benefits because the basis for eligibility remains the initial place of hire. Once hired overseas, the teacher is forever locked into this second class position unless she returns to the U.S. and is rehired through the recruiting procedures utilized in the continental U.S.

It is mentioned that the Department of Defense utilizes such benefits as transportation, housing allowances and other differentials as an incentive in the recruitment process. This is all well and good, but the same minimum qualifications are expected of the local hires. Logically then, they should enjoy the same benefits.

H.R. 9139 also addresses the issue of salary schedules. By placing the Overseas Dependent School teacher under the District of Columbia Salary Act of 1965, it will raise salary levels of affected personnel to comparable level with his colleague in the continental U.S. In most instances, the salary levels of overseas teachers lag about a year behind that of their counterparts in the states. The bill will provide further incentives by adding two additional salary levels for graduate courses wtaken between degrees. The additional levels are designated for teachers with a bachelor's degree plus 15 credits of educational course work and a category for a masters degree plus 60 credits.

As you may know, I have worked on similar legislation for more than 10 years and I am delighted at the fact that my colleague from California has seen fit to pursue the rectification of these discriminatory practices which I have just discussed. The morale of locally hired (hired overseas) personnel has been seriously affected by the inequities of this system. These inequities must be eliminated, and I therefore strongly urge your favorable consideration of H.R. 9139.

STATEMENT OF HON. TENO RONCALIO, A MEMBER OF CONGRESS FROM THE STATE OF WYOMING

Mr. Chairman, thank you for this opportunity to express before your Subcommittee my strong support for legislation to prohibit discrimination against locally recruited teachers in the granting of overseas differentials and allowances and to revise the method of establishing the compensation of overseas teachers.

I was recently made aware of the inequities of present policies through the first-hand experiences of my constituent, Ms. Laura L. Tucker of Casper, Wyoming. Ms. Tucker has outlined her difficulties in a letter to me which I would like to include as evidence of the discriminatory practices we are attempting to eliminate with passage of legislation now before your Subcommittee. Ms. Tucker's letter follows:

CASPER, WYO., *December 12 1975.*

Congressman T. RONCALIO,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN RONCALIO: I am writing in support of H.R. 9139 supporting the Overseas Teachers in prohibiting discrimination against locally recruited teachers, placing overseas teachers under the District of Columbia Teacher

Salary Act, and establishing seniority in determining involuntary separation of teachers from service.

I am currently employed as a librarian with USDESEA in Germany. I was originally hired in 1968 from Texas. After 3 years at Kaiserslautern, American High School, Germany, I returned in 1971 to the University of Texas for a year of graduate work. I was not given educational leave at that time and so was forced to resign. During 1971, I reapplied to DOD for the following school year. In August 1972, after completing my Masters in Library Science I flew to Germany (at my own expense) and was immediately employed by USDESEA as a librarian in Zweibrucken American High School. I have received an Outstanding/Sustained Superior Award as an employee and am known as a very competent librarian/teacher. However, I am *not* entitled to the same benefits as my peers in USDESEA who were hired stateside.

The benefits which are received by other USDESEA teachers are varied. I receive *no* housing allowance with which to cover the high cost of rent in Germany. I am *not* eligible for a travel agreement for re-employment leave in the United States. I cannot return to an American university to pursue post graduate work in the summer unless I pay all costs connected with the travel. I am *not* eligible to receive a Household Goods Shipment and because I am a civilian I cannot be issued furniture from the Army and Air Force Housing Office. I must purchase items necessary for living but I will not be allowed to ship them to the United States at government expense. I am *not* eligible for a "no fee" passport but am required to have a NATO Status of Forces stamp in my tourist passport which prohibits me from visiting a communist nation. I therefore, must purchase another.

The inequities practiced by USDESEA are most disheartening to a concerned and conscientious teacher. H.R. 9139 is very meaningful to we Overseas Teachers.

Yours truly,

LAURA L. TUCKER.

STATEMENT OF BARRY MOREN, ELEMENTARY SCHOOL TEACHER, VICENZA, ITALY

Mr. Chairman and members of the subcommittee, my name is Barry Moren. I am an elementary school teacher at the American Dependent School in Vicenza, Italy. I would like to submit testimony in support of H.R. 9139. I believe my case is a perfect example of mistreatment and discrimination that many government employees suffer on the basis of their geographical point of hire.

Following is some personal background information to justify my support of this much needed bill:

My wife and I traveled to Europe during the summer of 1971 and found there were teaching positions available with the Defense Department Schools. I was hired in August to fill a last-minute opening in a small school in Germany. I was informed that I was being hired as a tourist "N.T.E.;" that is, a temporary employee "Not to Exceed" one school year, but subject to termination at any time during the school year on seven calendar days notice and not necessarily subject to rehiring the following year. We were also told that (as of March, 1971) employment on a tourist N.T.E. basis (as opposed to being hired from CONUS) denied me the privileges of a housing allowance, transportation agreement and enrollment in programs. CONUS hired employees are granted these benefits automatically. Also, as per U.S.D.E.S.E.A. policy at that time I was only given credit for two of my three years of teaching experience and placed on the salary schedule accordingly.

My wife and I personally incurred the expenses of housing on the German "economy," shipped some of our household necessities from California and were able to maintain our health insurance from the states, at the cost of a private individual (about three times the cost of group coverage). I would also like to point out that I was earning several thousands dollars less than I had been making in California, which is further evidence of the necessity of placing D.O.D. teachers' salaries on a more realistic level such as the Washington, D.C. teachers' schedule. Another financial difficulty we experienced in Germany was the declining exchange rate of our dollars.

At the end of that school year, I was informed that my slot had to be filled by a transferring teacher with more seniority and I was terminated in June, not knowing whether I would have a position at another larger school (about forty minutes away) the following school year. We maintained our apartment that summer in hopes of returning to work that fall.

In August I was rehired and converted to a full Department of the Army Civilian employee (on the basis of my working a full school year with an excellent rating and being rehired), and was assigned to work at the larger neighboring school. This still did not grant me the benefits I had been denied; it merely gave me the security of signing an employment agreement allowing me to participate in medical and retirement programs and the security that my position wouldn't be terminated each year. During the week of teacher orientation and preparation, I was asked by the Superintendent of the district if I would consider a transfer to Italy, which I was willing to accept. Our household goods were packed and shipped to Vicenza and I began a new school year in Italy.

I was then informed that since I had transferred at management request, from one country to another and now was under the jurisdiction of another Civilian Personnel Office, and since I was no longer an "N.T.E.," that I would be eligible for the benefits denied me in Germany, subject to the approval of the local C.P.O.

Our local C.P.O. refused to make a decision on the case, so the matter was sent to USAREUR headquarters in Heidelberg, and after six months of waiting were notified by the Department of the Army that our request for the benefit of a housing allowance had been approved in Washington, D.C. Shortly thereafter, I was offered and signed a transportation agreement (thereby committing myself to two more years of service. This contract granted me a re-employment leave to the States for every two years of service, and the right to have my household goods shipped to me from my residence in California). I signed this contract in good faith and that following summer we were eligible for re-employment leave (on the basis of my two years work for USDESEA), and we received authorization for the shipment of our household goods which were packed and shipped from California in July, 1973.

Well, I wish I could tell you that the story ends happily here, but this week I have again begun to experience greater harassment and renewed discrimination on the basis of my having been a "local hire." I have been notified that my transportation agreement has been rescinded due to an "error" by C.P.O. and further that reimbursement of government expenses will be required.

You can imagine my disillusionment and despair at finding myself, once again the subject of discriminatory practices the government uses against employees dependent upon the geographic point of hire. For nearly five years I have been discharging the same responsibilities as CONUS hired teachers.

I have felt myself to be a creative teacher, educating American servicemen's children. I have found working conditions here gratifying and have been able to continue my education beyond my Master's Degree. We have found pleasant living conditions; our first child was born here in Vicenza and we have another one on the way. My wife and I have been active and support school and community activities and now, with this one piece of paper and pending action, my morale has been completely undercut.

I have been a loyal employee and this tells me that this is how the government rewards me for my labors. I find myself in the position of owing the government nearly $20,000, the costs of a contract which I negotiated and fulfilled in good faith. I look ahead to possibly having to bear the further costs of shipping a houseful of furniture back to the states or abandoning these possessions. Having gone directly from university to elementary teaching for nearly eight years, I am in no position to handle this financial burden.

My frustration is compounded by everyone, from all levels of USDESEA to C.P.O. stating their shock at this unjust situation, but all I am experiencing are further obstacles, and nowhere to turn for any action.

Another cause for concern is the possibility of the Communist Party coming to power within a year here in Italy and the fear that with bureaucratic matters such as these requiring so much time, the matter could remain unsettled while the United States might have to close down the N.A.T.O. bases here in Italy and we would be left with no recourse.

I, therefore, thank you for your support of this bill and urge you to do whatever is possible to ensure its passage, so that this case of discrimination will be prevented and those of other locally hired teachers.

I appreciate your time in reading this and your efforts in support of this bill. I will be happy to submit any further information your committee may require and will look forward to hearing from you regarding the progress of the bill and whatever suggestions you can offer in terms of further action we can take from this end.

STATEMENT OF EDWARD SIEMASZKO, TEACHER, FRANKFURT AMERICAN JUNIOR HIGH SCHOOL

I am a teacher at Frankfurt American Junior High School, APO NY 09039, in the Department of Defense Overseas School System. Like many of my colleagues (almost 40% of European teachers at the present time), I applied for my teaching position not in the U.S., but at the point of hire. After being employed on a temporary basis, I found that I enjoyed teaching in the DOD schools and that my superiors thought enough of my teaching abilities to convert me from a temporary status to a permanent position.

During my first year of employment I discovered that other teachers in my school were being remunerated for doing their jobs in ways that I was not. They lived in rent-free government housing or received a Living Quarters Allowance, they were eligible for re-employment leave at government expense, they could have household goods shipped at government expense, they had certain transfer rights that I did not have, etc., etc. I wondered why, particularly after the DOD was interested in my services on a career basis, my colleagues enjoyed benefits that amounted to thousands of dollars a year - and I did not. I could not believe that an agency of the United States Government could or would deliberately discriminate against its employees. Could it be that the U.S. Government paid only lip service to the principles of its own constitution? Was it possible that the U.S. Government itself did not believe in the equality of its employees, not to mention its citizens? Did the principle of equal pay for equal work apply everywhere but within government agencies? When I asked these questions of my employers in the Civilian Personnel Office, I was told that in the past all career teachers in the overseas schools, regardless of where they were hired, were compensated equally, but that current regulations excluded local hires from basic benefits such as housing and transportation. I was told that if I had been hired in 1970 instead of 1973, I would have been granted these benefits.

I found that my position was not an isolated one, that many of my colleagues were subjected to the same demoralizing and unequal treatment at the hands of capricious beaurocrats who seemed to have the power to initiate, invalidate and alter regulations governing conditions and compensation of employment as teachers in the overseas schools. Those of us affected by the whimsical decisions of DOD and State Dept. officials decided to ban together in order to (a) determine the nature and extent of discriminatory practises perpetrated against local hires, (b) investigate the legal basis for the hiring and compensation of teachers in the DOD schools, (c) seek ways and means to correct the flagrant exploitation of local hires. To this end the Frankfurt Education Association Half-Dac Committee was formed.

We discovered that DOD allotted benefits to teachers as follows:

1. NTE's (Local hires engaged for a period "Not-to-Exceed" a specified date, usually the last day of the current school year, at which time their employment is terminated) The NTE receives a uniformed services identification and privilege card - valid only for USEuCOM and for the length of the school year. This ID card entitles the holder to the use of the commissaries and PX's, to out-patient medical care at a nominal fee, and to the use of US Forces license plates on his/her car.

2. Converted NTE's (After 150 consecutive school days in one school year, in some cases an NTE may be "converted" to "DAC" - "Department of the Army Civilian", or DAPC, etc. status. This appointment is then "non-time-limited," i.e. permanent.) The Converted NTE receives all of the above on a year-round basis. (ID cards for converted NTE's are usually issued for a three-year period, i.e. recognition of permanent and full-time status.) People in this category are also eligible for group health insurance and for participation in the federal employees' pension plan.

3. Stateside or CONUS Hires (Teachers recruited and employed in the U.S who are transported during summer vacation to teaching positions overseas. They are granted Department of the Army, Air Force, or Navy civilian status.) Stateside Hires receive all of the above benefits plus the following, for which NTE's and Converted NTE's are ineligible, and as a result of recent and not-so-recent discretionary regulation changes, will be in a category of permanent de facto ineligibility. Local dependent hires are also ineligible for the following benefits, but may enjoy some of them (particularly LQA and Transportation Agreements) in an ancillary manner, i.e., not by reason of employment, but as a result of marriage to a stateside military or civilian hire.

(a) Transportation Agreement - Stateside hires have an agreement with the government to teach for one or two years at a specific location; after this time the government agrees to pay their transportation costs to the country of employment and return. This practice is sometimes called "Re-employment Leave," i.e. if the stateside hire chooses to remain in OCDE after the initial contractual period, he or she and family are provided with transportation at government expense to the point-of-hire in the U.S. Local dependent hires travel with their sponsor. In the event of divorce or separation, the local dependent hire must quit her job and return to the sponsor's place of hire within a specified period of time. Non-dependent local hires could at one time qualify for a transportation agreement, if they could prove that at the time of hire they were at the hiring location as students or tourists. One teacher was recently told the very fact that he applied for a job took him out of the category of tourist and put him into the category of job-seeker, thereby disqualifying him from eligibility. Teachers who did miraculously qualify for this

benefit as local hires and did receive a transportation agreement have recently been notified that a heretofore unpromulgated alteration of Joint Travel Agreement regulations dating back some four years made all such agreements null and void. The Department of the Army has attempted to reclaim from such teachers all monies paid out during that period.

(b) Housing Allowance - Stateside hires are paid for housing expenses. They receive either a BOQ or family living quarters, or are compensated for off-base housing up to a certain amount depending on family size and the location of the base. Local hires get nothing.

(c) Space Available Travel - Stateside hires are eligible to travel space available on certain military flights if they are stationed in certain less desireable areas (Korea, Philippines, Turkey, etc.). Local hires are ineligible. A recent Frankfurt CPO decision rescinded the right of anyone not in possession of a travel agreement to fly space available even in the event of a Red Cross emergency (death in the family, etc.)

(d) Differential - In certain less desireable areas (so-called "hardship areas," stateside hires are paid a differential. Local hires are not.

(e) Educational Leave - Stateside hires are allowed to apply for educational leave either during the summer or for an entire school year. Transportation costs are assumed by the government. Local hires are excluded from this opportunity for professional improvement.

(f) Shipment of Professional Goods - The holder of a transportation agreement is permitted, in certain cases, to ship professional materials from one duty station to another. At the time of hire and at the time of separation from service, the holder of a transportation agreement is permitted to ship household goods to and from the point of hire. Stateside hires who arrive at their overseas post without household goods are generally provided with household furnishings. Local hires must purchase and ship household goods on their own.

(g) Transfers - Stateside hires may apply for transfer to any area within the overseas dependents school system. Local hires may apply only for an intra-area transfer.

Consultations with officials of the DOD school system (DoD administrative officers on the district and USDESEA level) resulted in sheepish affirmations on their part that DOD administrators were opposed to discrimination against teachers, but that their hands were tied by CPO regulations which empowered CPO to decide which benefits were to be allotted to which teacher-employees. CPO in turn claimed discretionary power based on Dept. of State Standardized Regulation 03132 to interpret all laws dealing with the hiring and compensation of teachers in the overseas schools.

Public Law 86-91, Section 7 states: " Under regulations which shall be prescribed by or under authority of the President, each teacher (other than a teacher employed in a substitute capacity) shall be entitled, in addition to basic compensation, to quarters, quarters allowance, and storage as provided by this section." Section 8 of the same law states: "Under regulations which shall be prescribed by or under authority of the President, each teacher (other than a teacher employed in a substitute capacity shall be entitled, in addition to basic compensation, to - (1) cost of living allowances.... (2) additional compensation equal to that authorized under section 207 of the Independent Offices Appropriation Act, 1949...The cost-of-living allowances and additional compensation provided under subsection (a) of this section for any teacher shall be based on the teaching position in which he rendered services on a school-year basis..." In spite of the clear and unequivocal wording of the law that "each teacher (other than a teacher employed in a substitute capacity) shall be entitled..." to additional compensation, and that this additional compensation "shall be based on the teaching position in which he (the teacher) rendered services on a school-year basis...," CPO officials claimed that the phrase "shall be entitled," does not constitute a mandate, but an option to be determined by their discretionary power. It is interesting to note that CPO had no difficulty in understanding the mandatory character of the words "under regulations which shall be prescribed..." Had the intention of the law been to exclude other teachers than those literally excluded, the lawmaker would have extended the parenthetical phrase "(other than a teacher employed in a substitute capacity)" with the words "or a teacher locally hired." In point of fact, the law does spell out eligibility for additional compensation. The only qualification necessary is the teaching position in which the teacher rendered services on a school-year basis.

Public Law 86-707 - Overseas Differentials and Allowances Act (1960) Section 101 states: "The Congress hereby declares that it is the purpose of this act to improve and strengthen the administration of overseas activities of the Government by -

1) providing a means for more effectively compensating Government employees for the extra costs and hardships incident to their assignments overseas.

2) providing for the uniform treatment of Government employees stationed overseas to the extent justified by relative conditions of employment.

3) establishing the basis for the more efficient and equitable administration of the laws compensating Government employees for the extra costs and hardships incident to their assignments overseas and

4) facilitating for the Government the recruitment and retention of the best qualified personnel for civilian service overseas."

NB: In all cases, emphasis mine.

The Senate Report (No. 1647, June 22, 1960) supporting this legislation states, "The purpose of this bill is to improve and strengthen Government activities by establishing a uniform system for compensating all government employees in overseas posts irrespective of the agency by which they are employed. The bill would provide uniformity of treatment for all overseas employees to the extent justified by conditions of employment." The report continues to explain the intent of the law: "The importance of sound and effective personnel policies in the conduct of our overseas program is well recognized. the success of such programs depends largely upon the employees engaged in carrying them out. The effectiveness of their performance is directly related to the fairness and wisdom inherent in the policies under which personnel are employed." ... "To this end, this bill advances the recognized principle that its civilian employees should be adequately reimbursed for additional expenses necessarily incurred because of their overseas services; that they should be compensated for hardship, inconveniences, or other environmental working conditions not encountered in the United States; and that, insofar as practicable, these overseas employees should be compensated upon the basis of the same criteria without regard to the identity of the employing Federal agency."

Neither the law nor the Report makes any distinction whatsoever on the basis of point-of-hire. In reality the above quotes show that the intent of Congress in passing Pl 86-707 was to make sure that uS civilians are adequately and equitably reimbursed for their expenses. Local hires are denied housing, transportation and other benefits not on the basis of the law, but on the basis of Department of State Regulation 031.12 and the joint travel regulations. Here we have a clear case of the calculated subversion of the law of the land and the intent of the Congress by DOD and the Department of State.

None of the Public Laws dealing with overseas teachers discriminates between local hires and stateside hires. The Senate Report on PL 86-707 says there is a "recognized principle" that employees should be reimbursed for additional expenses necessarily incurred because of their overseas services. DOD seems to claim additional expenses are incurred by stateside hires but not by local hires. PL 86-91 states that teachers should receive additional compensation by reason of their teaching position. DOD says teachers should receive additional compensation by reason of the fact that they were hired in Francfort, Kentucky and not Frankfurt, Germany. The constant thrust of legislation dealing with overseas teachers has been to remedy employee dissatisfaction resulting from unequal allowances being paid to different groups of federal employees stationed overseas. Does the so-called discretionary authority of DOD mean the arbitrary right to obviate the intention of Congress and the letter of the law? Can DOD, at its own discretion, make an arbitrary decision to grant all benefits to converted MTE's up to 1971, and then rescind its arbitrary decision? What's to prevent DOD's discretionary power from excluding all people from benefits because they were hired west of the Mississippi?

I call upon this Committee to do all in its power to compel DOD

to observe the letter and the spirit of the law by

a) ceasing and desisting from treating large numbers of its employees as "back-of-the-bus" second-class citizens,

b) immediately equalizing the allotment of benefits to all full-time DODDS teachers

c) providing retroactive compensation to all full-time teachers who have been victimized by DOD's capricious and flagrant disregard of the law of the land.

Respectfully submitted by

Edward Siemaszko
FEA Half-Dac Committee
Frankfurt American Junior High School
APO NY 09039

ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

MANPOWER AND
RESERVE AFFAIRS

4 JUN 1976

Miss Lynne Holland
President, Overseas Education
Association, Inc.
Overseas Education Association, Suite 205
1201 16th Street, N.W.
Washington, D.C. 20036

Dear Miss Holland:

In accordance with the national consultation rights which your organization holds with the Department of Defense, the attached proposed regulation is forwarded with the request that you furnish us any comments you may have not later than July 6, 1976. Any comments or recommendations you submit will be given careful consideration as the final version of the regulation is developed.

The proposed regulation, DoD Instruction 7230.xx, Subject: "Charges for Medical Care," will bring together in one DoD issuance an implementation of Executive Order 11609 and all other medical rate charging practices. The only significant change to existing practices is that U.S. citizen civilian employees overseas will be charged full reimbursement rates for out-patient services rather than the token $1.00 currently charged. The full reimbursement rate which will be used is established annually by the Office of Management and Budget and is published in the Federal Register. The current rate is $19.00 a visit.

The $1.00 rate for out-patient medical care in DoD hospitals overseas is being revised because its continuation no longer seems equitable. Originally, the $1.00 rate was authorized by legislation and Executive Order only for non-citizen U.S. employees. It was applied to U.S. citizen employees by an administrative decision. Notwithstanding, while in-patient rates for U.S. citizen employees have been adjusted annually, the out-patient rates have remained at 1.00 per visit. Since this is the type of special service to the public contemplated by "User Charges" and is not specifically identified as a "fringe benefit," full cost recovery appears appropriate in the absence of any specific legislation or administrative authority to waive or reduce the charges.

AMERICAN REVOLUTION BICENTENNIAL 1776-1976

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In the event you or representatives of your organization desire to discuss this matter, I, or members of my staff, will be pleased to meet with you.

Sincerely,

CARL W. CLEWLOW
Deputy Assistant Secretary of Defense
(Civilian Personnel Policy)

Attachment

DRAFT

NUMBER 7230.xx
DATE May 1976

Department of Defense Instruction

SUBJECT: Charges for Medical Care

Refs: (a) through (v) are listed in Enclosure 1

I. PURPOSE

This Instruction prescribes the type of rates to be charged for particular categories of personnel authorized by law or regulation to receive care in military medical facilities. Enclosure 3 to this Instruction sets forth the specific categories of personnel, refers to the law or DoD Issuance that authorizes the care, and indicates the appropriate type of rate to be charged.

II. AUTHORITY

Executive Order 11609, July 22, 1971, reference (a).

III. APPLICABILITY AND SCOPE

This Instruction applies to the Military Departments. It covers all care at all military medical facilities; such as, medical centers, hospitals, dental clinics, general clinics, etc. It applies regardless of the source of funds used to operate such facilities. It also applies to local collections and to central billings and collections and whether the person receiving the care is personally responsible for payment, or is sponsored by an agent who will make payment.

IV. PROCEDURES

A. The Department of Defense will charge for medical care only on the basis of "patient day" for inpatients and "outpatient visit" for outpatients, except for a special charge which will be made for "immunizations."

B. Periodically, the Assistant Secretary of Defense (Comptroller) will issue memorandums establishing the actual dollar rates to be charged. Any necessary rate changes will be implemented by the Military Departments on the dates and in the amounts specified by such memorandums.

C. Although authority is established under DoD Directive 4000.6, reference (o), for local commanders to establish special rates in overseas areas, E.O. 11609, reference (s), provides that authority to prescribe uniform rates for medical care may not be redelegated to any officers in the Departments of the Navy, Air Force or Army. Therefore, special reimbursement rates will be recommended to the ASD(C) by unified and specified overseas commanders where the economic conditions of the host country preclude collecting the full reimbursement rate.

V. EFFECTIVE DATE AND IMPLEMENTATION

This Instruction is effective upon issuance and each Military Department will submit two copies of its implementing issuances to ASD(Comptroller) within 90 days. The provisions of existing Service

regulations which are not inconsistent with this Instruction, will continue in force.

Assistant Secretary of Defense
(Comptroller)

Enclosures - 3
1. References
2. Definitions
3. Table of Rates

REFERENCES

(a) 10 United States Code 1074(a) and 1074(b) - Active duty and retired service members

(b) 10 United States Code 3721 and 3722; 32 United States Code 318 and 319 - Reserve and National Guard Members

(c) 10 United States Code 2109 - ROTC

(d) DoD Directive 6010.4, "Dependents' Medical Care," April 25, 1962

(e) 31 United States Code 686 - Beneficiaries of Other Federal Departments and Agencies

(f) Public Law 93-517 and previous Appropriation Acts - Members U.S. Soldier's and Airmen's Home

(h) OSD(R&E) Memorandum, May 22, 1973, "Follow-up Care of Returned Military Prisoners of War"

(i) 10 United States Code 4346, 6958, 9346, 505, 510(b), 3285, 591(b) - Applicants for Enlistment or Commission in the Armed Forces

(j) DoD Directive 1330.5, "American National Red Cross," August 16, 1969

(k) DoD Directive 1330.12, "United Service Organizations, Inc.," March 4, 1969

(l) DoD Directive 1330.13, "Armed Forces Professional Entertainment Program Overseas," March 25, 1970

(m) DoD Directive 1330.7, "Visits of Civilian Religious Leaders to Military Installations in Overseas Areas," April 26, 1974

(n) 24 United States Code 34 - Federal civilian employees and dependents outside CONUS

(o) DoD Directive 4000.6, "Policy on Logistic Support of United States Non-Governmental Non-Military Agencies and Individuals in Overseas Milit~ Commands," March 15, 1956

(p) DoD Directive 3025.1, "Employment of Military Resources in Natural Disaster Emergencies within the United States, Its Territories and Possessions," August 30, 1971

(q) DoD Directive 5100.46, "Foreign Disaster Relief," December 4, 1975

(r) 5 United States Code 7901 and 7902; 29 United States Code 655(b), 29 United States Code 668 - Federal Civilian Health Program - Civilian Employees

(s) DoD Directive 6310.7, "Medical Care for Foreign Personnel Subject to the North Atlantic Treaty Organization (NATO) Status of Forces Agreement (SOFA)," December 18, 1962

(t) 32 United States Code 2395(e) - Foreign Military Sales Trainees and Military Assistance Program (MAP) Trainees

(u) 5 United States Code 301 - Secretarial Designees

(v) DoD Instruction 6015.1, "Classification, Nomenclature and Definitions Pertaining to Fixed Medical Treatment Facilities," June 13, 1975

DEFINITIONS

Patient Day - An occupied bed day as defined in DoDI 6015.1, reference (v)

Medical Facility - A medical center, hospital or clinic as defined in DoDI 6015.1, reference (v)

Outpatient Visit - A visit to a medical facility for medical or dental care not requiring admission to the medical facility

Immunization - An inoculation to provide immunity or protection against a particular disease or condition

TABLE OF RATES

FOR THE PURPOSE OF THIS INSTRUCTION THE FOLLOWING ABBREVIATIONS APPLY:

Inpatient	Outpatient
FIR - Full Inpatient Rate	FOR - Full Outpatient Rate
DR - Dependent Rate	IR - Immunization Rate
S - Subsistence	

Category of Patient	Inpatient Care	Outpatient Care
1. Members of the Army, Navy, Marine Corps and Air Force on active duty, active duty for training or inactive duty training. This includes cadets and midshipmen of the service academies; members of the Reserve Components and the National Guard (references (a) and (b))		
Officers 1/	S	None
Cadets and Midshipmen 1/	S	None
Enlisted Personnel	None	None
2. Retired members of the Army, Navy, Marine Corps and Air Force (reference (a))		
Officers 1/	S	None
Enlisted Personnel	None	None
3. ROTC of Army, Navy and Air Force, and applicants for enrollment in Senior ROTC (reference (c))	None	None
4. Dependents of Military Personnel in categories 1, 2 and 3 (reference (d)) 1/	DR	None

Category of Patient	Inpatient Care	Outpatient Care
5. Members of the Coast Guard, including cadets of the Coast Guard Academy, and Commissioned Corps of the Public Health Service and the Oceanic and Atmospheric Administration on active duty, on active duty for training, or inactive duty training (reference (a)) 1/ 3/ 4/	FIR	None
6. Retired members of the Coast Guard, the Commissioned Corps of Public Health Service and the Oceanic and Atmospheric Administration (reference (a)) 1/ 4/	FIR	None
7. Dependents of personnel in 5 and 6 (reference (d)) 1 3/	FIR	None
8. Beneficiaries of all other Federal Departments and Agencies (reference (e)) 3/	FIR	POR/IR
9. Members U.S. Soldier's and Airman's Home (reference (f)). (Members of the Navy Home are special patients of the U.S. Naval Hospital, Philadelphia, Pa. A new home is under construction in Mississippi and negotiations for hospital care are underway.)	Rate by Agreement	None
10. Prisoners of War Internees and others in military custody (reference (g))	None	None
11. U.S. Military former prisoners of war, released from active duty and their dependents for a period of 5 years after separation (reference (h))		
Officers	S	None
Enlisted	None	None
Dependents 1/	IR	None

	Category of Patient	Inpatient Care	Outpatient Care
12.	Former members of the Armed Forces who became pregnant while on active duty, and their new-born infant (reference (u)) 1/	S	None
13.	Applicants for:		
	Commission	S	None
	Enlistment, re-enlistment or appointment as midshipman/cadet (reference (i))	None	None
14.	American Red Cross uniformed and non-uniformed, full-time paid professional field and headquarters staff on duty with a Military Service outside CONUS; uniformed full-time paid secretarial and clerical workers on duty outside CONUS; dependents of the above when accompanying sponsor outside CONUS; and volunteer workers outside CONUS (reference (j))		
	Employees	S	None
	Dependents	DR	None
15.	USO overseas area executives, club directors, associated club directors and their dependents (reference (k))		
	Employees	S	None
	Dependents	DR	None
16.	Civilian religious leaders or groups, celebrities and entertainers and representatives of social agencies or other similar persons or groups traveling under an Invitational Travel Order and providing direct service to the U.S. Armed Forces (references (l) and (m)) 3/	S	None

	Category of Patient	Inpatient Care	Outpatient Care
17.	U.S. citizens employed by DoD and other Government Agencies outside the U.S. paid from appropriated or non-appropriated funds, and their dependents (reference (n)) 3/	FIR	FOR/IR
18.	Non-U.S. citizens employed by the U.S. Government overseas and their dependents, when civilian facilities are not available (reference (n)) 3/	FIR	FOR/IR
19.	Civilian contractors of DoD or the Military Departments, contractor employees, their dependents and other U.S. citizens outside CONUS when authorized by the overseas commander (reference (o)) 2/ 3/	FIR	FOR/IR
20.	Claimants whose claims against the Government, e.g., Workmen's Compensation Benefits, or an injury caused by the Government, are administered by DoD Agencies and claimants who are proposed beneficiaries of private relief bills (reference (u)) 3/	S	None
21.	Claimants whose claims against the Government are administered by other Federal Agencies (reference (d)) 3/	FIR	FOR
22.	Civilian emergencies (reference (u)) 3/	FIR	FOR/IR
23.	Civilians in a National or Foreign Disaster (references (p) and (q)) 3/	S	None

	Category of Patient	Inpatient Care	Outpatient Care
24.	Civilian employees requiring on-the-job medical care covered by the Federal Civilian Employee Health Program if hospitalized less than 24 hours. (When hospitalization is more than 24 hours, the patient will be in category 17, 20, 21 or 22.) 3/	S	None
25.	Civilian participants in Service sponsored recreational or training activities (Emergency care when visiting, training or camping at military installations) (reference (u)) 3/	S	None
26.	NATO personnel in U.S. in connection with official duties (reference (s)) 3/		
	Officers	S	None
	Enlisted Personnel	None	None
	Dependents 1/	DR	None
	Civilians 3/	FIR	FOR/IR
27.	Foreign personnel of other than NATO nations in U.S. in a status officially recognized by DoD (reference (u))		
	Officers 3/	S	None
	Enlisted	None	None
	Dependents of Military Personnel 1/	DR	None
	Civilians 3/	FIR	FOR/IR
28.	Foreign Military Sales Trainees and their dependents (reference (t)) 3/	FIR	FOR/IR

Category of Patient	Inpatient Care	Outpatient Care
29. Trainees under the Military Assistance Program (MAP) (reference (t))		
Officers 3/	$	None
Enlisted Personnel	None	None
Dependents of Military Personnel 1/	IR	None
Civilians 3/	FIR	FOR/IR
30. Foreign Personnel outside the U.S. (reference (u)) 3/	FIR	FOR/IR
31. Foreign Nationals (military or civilian) moved into U.S. for inpatient medical care (reference (u)) 3/	FIR	N/A
32. Secretary of Defense; Secretary of Army, Navy and Air Force (reference (u)) 3/	FIR	FOR/IR
33. Secretarial Designees (reference (u)) 3/	FIR (unless otherwise authorized)	FOR/IR (unless otherwise authorized)

1/ No charge will be made for a new-born infant while the mother remains in the hospital. If the infant remains after the mother's discharge, the rate prescribed for the mother applies. In multiple births, a separate charge is made for each infant.

2/ Full reimbursement will be collected unless otherwise provided by the terms of the particular contract.

3/ Charges will be collected from the individual, from a sponsoring agency, or from a combination of both, in accordance with applicable Military Department procedures.

4/ Coast Guard is transferred to Navy in time of war.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

JUN 14 1976

Honorable David N. Henderson
Chairman, Committee on Post Office
and Civil Service
House of Representatives
Suite 207 Cannon House Office Building
Washington, D.C. 20515

Dear Mr. Chairman:

This is in reply to the Committee's request for the views of this Office on H.R. 9139, "To prohibit discrimination against locally recruited teachers in the granting of overseas differentials and allowances, revise the method of establishing the compensation of overseas teachers, and for other purposes."

The purpose of H.R. 9139 is to require that overseas quarters and other allowances and differentials be paid Defense Department overseas teachers not recruited from the United States but hired locally in a foreign area; to require that such teachers be classified, assigned and paid in accordance with the rates of pay established for District of Columbia teachers; and provide priority retention for such teachers in involuntary separation.

...t reports which the Department of Defense and the Civil Service Commission are submitting, they state a number of reasons for opposing enactment of H.R. 9139.

We concur in the views expressed by the Department of Defense and the Civil Service Commission and, accordingly, recommend against enactment of H.R. 9139.

Sincerely,

James M. Frey

James M. Frey
Assistant Director for
Legislative Reference

UNITED STATES CIVIL SERVICE COMMISSION
WASHINGTON, D.C. 20415

June 3, 1976

Honorable David N. Henderson
Chairman
Committee on Post Office and
Civil Service
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

This is in further reply to your request for the views of the Civil Service Commission on H.R. 9139, a bill "To prohibit discrimination against locally recruited teachers in the granting of overseas differentials and allowances, revise the method of establishing the compensation of overseas teachers, and for other purposes."

The Civil Service Commission does not favor the enactment of H.R. 9139.

Section 1 of the bill would amend chapter 59 of title 5, United States Code, to establish by law the eligibility for free living quarters and certain allowances and differentials for teachers recruited outside the United States for duty at the place of recruitment, after they have completed 90 work days of satisfactory service. The Commission is responsible for the administration of 5 U.S.C. 5941, which authorizes allowances and differentials for Federal employees in certain nonforeign areas. Cost-of-living allowances are paid to all statutory-salaried Federal employees, regardless of point of recruitment, in the areas where authorized, i.e., Alaska, Hawaii, Puerto Rico, Guam, and the Virgin Islands. They are based on living costs in these areas which are above the living costs in Washington, D.C. The post differentials authorized under this law, however, are based on "conditions of environment which differ substantially from conditions of environment in the continental United States and warrant an allowance as a recruitment incentive." These differentials are authorized in places like Guam and certain other Pacific islands. Our regulations reflect the intent of this law. Eligibility for the differential is limited to those persons recruited from outside the area where the differential is authorized. The person's residence in the area must not be fairly attributable to reasons other than employment by the United States. We believe that there is no justification for paying a differential, which is intended as a recruiting tool, to persons already living, either as long term or permanent residents, in the area in question.

Section 1 of the bill would also similarly amend 5 U.S.C. 5912 and 5922, relating to quarters allowances in foreign areas and general

provisions for foreign allowances respectively. With respect to amendments in these areas, we defer to the views of the Department of Defense.

Section 2 of the bill would amend the Defense Department Overseas Teachers Pay and Personnel Practices Act (20 U.S.C. 901, et. seq.) to require that teachers be compensated in accordance with the rates of basic compensation in effect under the District of Columbia Teachers' Salary Act of 1955 (D.C. Code, sec. 31-1501 et. seq.). We oppose such a change, as we feel that the current statute provides a much more reasonable method of setting pay for this worldwide school system, by basing compensation on average salaries paid in urban school jurisdictions in the United States of 100,000 or more population. This more closely reflects the nationwide area from which overseas teachers are recruited.

Section 3 would require the Department of Defense to issue regulations governing the involuntary separation of teachers, with priority in retention to be based upon length of service, or, in the case of teachers having equal length of service, on the basis of efficiency or performance ratings. This section would have the effect of removing these overseas teachers from the provisions of section 3502 of title 5, United States Code, which requires consideration of tenure and veterans' preference as well as length of service and efficiency in determining priority in retention. We are not aware of any justification for this change, and in the absence of some compelling argument, we must object to this section.

We note in passing a technical error in the bill. Section 1 of the bill refers three times to "a teacher (as defined in section ?(a)(2) of title 20)." It would appear that this citation should properly read "a teacher (as defined in section 901(2) of title 20)."

The Office of Management and Budget advises that, from the standpoint of the Administration's programs, there is no objection to the submission of this report.

By direction of the Commission:

Sincerely yours,

Robert Hampton

Chairman

GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
WASHINGTON, D. C. 20301

7 June 1976

Honorable David N. Henderson
Chairman, Committee on Post Office
and Civil Service
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

Reference is made to your request for the views of the Department of Defense on H.R. 9139, 94th Congress, a bill "To prohibit discrimination against locally recruited teachers in the granting of overseas differentials and allowances, revise the method of establishing the compensation of overseas teachers, and for other purposes".

The purpose of this bill is three-fold. The first section would establish by law the eligibility of teachers who were recruited outside the United States for free quarters and certain other differentials and allowances authorized by title 5, United States Code, after they had completed 90 days of satisfactory service. Section 2 would require that teachers be classified, assigned, and compensated in accordance with the provisions of and rates of basic compensation established under the District of Columbia Teachers' Salary Act of 1955 (D.C. Code, section 31-1501 et seq.). Section 3 would require the Department of Defense to establish regulations governing the involuntary separation of teachers with priority in retention to be based upon length of service (or in the case of teachers having equal length of service, on the basis of efficiency or performance ratings).

It appears that the intent of the first section of the bill is to overcome the general restrictions contained in regulations of the Department of Defense and the Department of State on providing free quarters and payment of allowances and differentials to U.S. citizens who are already present in the area at time of employment. The basic purpose of the various allowances authorized for U.S. citizen employees in foreign countries are as recruitment and retention incentives as in the case of the living quarters allowance and post differential or to offset those additional expenses necessarily incurred because of overseas service as in the case of the cost of living allowance.

There is no need for recruitment and retention incentives, where individuals have already taken up residence in a foreign area for their own personal convenience prior to being employed by the United States. Some individuals travel overseas with the hope of enhancing their employment opportunities while other locally employed U.S. citizens may have been local residents for a considerable length of time. While these locally available persons are utilized as appropriate, it does not follow that they should thereby become eligible for the recruitment incentive benefits. Offering these allowances to persons who are already in the foreign area for their own convenience and seeking employment is not consistent with the basic intent of the allowances and would constitute an unwarranted expense to the Government.

The cost of living allowance is not designed as a recruitment and retention incentive. This allowance is intended to offset those additional expenses incurred because of service in a foreign area. This allowance is currently being paid to all teachers regardless of point of hire and no further legislative action is required.

As indicated above, we find the provisions of section 1 of the bill objectionable.

At the present time, teachers in the Department of Defense Overseas Dependents' School System are being classifed and compensated on the basis of rates equal to the average of the range of rates of basic compensation for similar positions of a comparable level of duties and responsibilities in urban school jurisdictions in the United States of 100,000 or more population. This bill proposes that these teachers be classified and compensated in accordance with the provisions and rates of basic compensation established under the District of Columbia Teachers' Salary Act of 1955.

Rates of basic compensation for teachers in the District of Columbia Public Schools System are based upon recommendations made by the Mayor of the District of Columbia taking into consideration the percentage rate of the cost of living change since the effective date of the last increase of the compensation schedule for educational personnel in the District of Columbia and results of a study comparing compensation of teachers in the District of Columbia with (1) teachers in cities of comparable size, and (2) teachers within other public school systems in the Washington, D.C., Metropolitan Area.

Thus, rates of compensation for the District of Columbia Public Schools System are tied to and adjusted in accordance with the cost of living in the Washington, D.C., area. Since these teachers live and work in that area, this is certainly appropriate. However, it would not be appropriate to base compensation on the cost of living in the Washington, D.C., area for individuals who neither live nor work in that area. That is what this bill proposes, and we therefore must object.

School teachers with the Department of Defense Overseas Dependents' School System are recruited from throughout the United States with the bulk coming from the 205 school systems serving urban jurisdictions of 100,000 or more population. As previously indicated, salaries of Department of Defense teachers are currently based upon the average salaries paid in these jurisdictions. This is a much more realistic and equitable basis than that which has been proposed.

Section 3 would require this Department to promulgate regulations governing the involuntary separation of teachers, giving priority in retention based upon length of service, or for teachers having equal length of service, on the basis of efficiency or performance ratings. The effect of this section would be to remove these overseas teachers from coverage under section 3502 of title 5, United States Code. This section requires consideration of tenure and veterans' preference as well as length of service and efficiency in determining priority in retention. There appears to be no justification for this change, and we must oppose this provision.

For the foregoing reasons, the Department of Defense is opposed to enactment of H.R. 9139.

The Office of Management and Budget advises that, from the standpoint of the Administration's program, there is no objection to the presentation of this report for the consideration of the Committee.

Sincerely,

Richard A. Wiley

94TH CONGRESS
1ST SESSION

H. R. 9139

IN THE HOUSE OF REPRESENTATIVES

JULY 31, 1975

Mr. CHARLES H. WILSON of California introduced the following bill; which was referred to the Committee on Post Office and Civil Service

A BILL

To prohibit discrimination against locally recruited teachers in the granting of overseas differentials and allowances, revise the method of establishing the compensation of overseas teachers, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 5912 of title 5, United States Code, is amended—

(1) by inserting "(a)" immediately before "Under regulations"; and

(2) by adding at the end thereof the following new subsection:

"(b) A teacher (as defined in section 902 (a) (2) of

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title 20) recruited outside the United States for employment at the place of recruitment may be furnished living quarters including heat, fuel, and light, authorized by this section after completing 90 workdays of satisfactory service.".

(b) Section 5922 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) A teacher (as defined in section 902(a)(2) of title 20) recruited outside the United States for employment at the place of recruitment is entitled to the allowances and differentials authorized by this subchapter after completing 90 workdays of satisfactory service.".

(c) Section 5941 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(e) A teacher (as defined in section 902(a)(2) of title 20) who was recruited outside the United States for employment at the place of recruitment is entitled to the allowance authorized by this section not later than the 90th workday of satisfactory service.".

SEC. 2. (a) Section 4(a)(2) of the Defense Department Overseas Teachers Pay and Personnel Practices Act (20 U.S.C. 902(a)(2)) is amended to read as follows:

"(2) the classifying and assigning of teachers and teaching positions in salary classes and groups in ac-

cordance with the provisions of the Distr.t of Columbia Teachers' Salary Act of 1955 (D.C. Code, sec. 31–1501 et seq.);".

(b) Section 5(c) of such Act (20 U.S.C. 903(c)) is amended to read as follows:

"(c) The Secretary of each military department shall provide for the payment of basic compensation for teachers in teaching positions in his military department in accordance with the rates of basic compensation then in effect under title I of the District of Columbia Teachers' Salary Act of 1955 (D.C. Code, sec. 31–1501 et seq.).".

(c) Section 5(b) of such Act (20 U.S.C. 903(b)) is amended to read as follows:

"(b) Subject to section 5103 of title 5, United States Code, the Secretary of each military department shall determine the applicability of paragraph (22) of section 5102(c) of such title to positions and individuals in his military department.".

SEC. 3. Section 4(a) of the Defense Department Overseas Teachers' Pay and Personnel Practices Act (20 U.S.C. 902(a)) is amended by striking out "and" at the end of paragraph (9), by redesignating paragraph (10) as paragraph (11), and by inserting immediately after paragraph (9) the following new paragraph:

"(10) involuntary separation of teachers, except

that under such regulations priority in retention shall be allowed to teachers on the basis of length of service (and in the case of teachers having equal length of service, on the basis of efficiency or performance ratings); and".